MCCS MANAGERS' DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

WHAT THIS DUTY DOES

The eight Tasks in this Duty focus on you, your staff and Program's customer service. How you perform and behave, and how your staff performs and behaves will make or break your Program, business or office.

No matter how "spiffy" your facilities or how "cool" your activities, events, products and services, if you and the staff cannot or will not do your jobs personably, professionally, effectively and efficiently, your customers/patrons will go elsewhere to fulfill their social, recreational and leisure needs.

4.1 Establish and Maintain a Professional Network.
4.2 Ensure Extraordinary Customer Service.
4.3 Solve Performance Problems.
4.4 Manage Your Time and Things-To-Do.
4.5 Get Your Stuff Together.
4.6 Delegate Assignments.
4.7 Empower Staff/Team Members.
4.8 Coach, Counsel, Tutor, and Mentor.

NOTE: Don't try to do everything yourself. The most effective managers/supervisors know when to get involved and when not to.

If you have an urge to say, *"Yes, but my staff can't do this, that, or the other",* guess who hasn't done his/her job yet?

See the following tasks:

- Task 6.5, Train/Develop Staff.
- Task 6.8, Monitor and Improve Staff Performance.
- Task 6.10, Reward, Incentivize, and Motivate Staff.
- Task 6.14, Discipline Staff.

A Program/business is only as good as its people.

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MCCS MANAGERS' DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.1

Establish and Maintain a Professional Network

DO THIS TASK WHEN

- **You need your network to:**
    - Solve problems.
    - Formulate important decisions.
    - Locate general, technical, and/or official information.
    - Discuss/discover alternatives/latest trends.
    - Locate/identify sources of supplies/services.
    - Brainstorm new ideas/solutions.
- **You need:**
    - Personal training/tutoring.
    - Personal professional counseling/guidance.
    - Career development assistance.
    - Professional development.
- Establishing a new network or when updating, modifying, improving your current network.
- You've become a supervisor/manager.
- Transferring to a new installation/job.

REFERENCES

- Effective Networking, Venda Raye-Johnson, Crisp Publications, Inc., Menlo Park, CA, 1990.
- What Every Supervisor Should Know, Lester Bittel and John Newstrom, McGraw Hill, New York, NY, 1990.
- DoDI 5500.7 (series), Standards of Conduct Joint Ethics Regulation.

SUPPLIES/ RESOURCES

- Time organizer/daily journal.
- Paper/electronic address book.
- Computer with word processing software.
- Typical office supplies.
- Telephone.
- Fax and e-mail service.
- Internet/Intranet service, as applicable to your systems.
- Directories/lists of organizations, businesses, associations, etc., related to your professional affiliation/ area of expertise.
- Business cards.

THIS TASK IS DONE CORRECTLY WHEN

- You have a list of the key individuals in your MCCS *Programs* with notes explaining what they do (or can do) for you/your Program, business or office.
- You have a list of the key individuals at your *Command* with notes explaining what they do (or can do) for you or your Program, business or office.
- You have a list of the key individuals in your *community* with notes explaining what they do (or can do) for you or your Program, business or office.
- You have a list of the key individuals in your *professional circles* with notes explaining what they do (or can do) for you or your Program, business or office.

THIS TASK IS DONE CORRECTLY WHEN (cont.)

- You apply a process when meeting someone new that ensures you discover and record what they do (or can do) for you/your Program, business or office and vice versa.
- You apply a process that gets the most out of your attendance at professional meetings, seminars, conferences, social events, and training.
- You use your network to solve problems and/or get applicable and up-to-date information.
- You regularly review and update your network lists.
- You regularly communicate with your network members.

NOTES

Successful managers/supervisors know the key individuals who provide the best and most cost effective products, services and support for their Program, business or office.

- They know what each of these contacts can and can't do, and how to reach them.
- They maintain their network by frequently communicating with their key contacts to ask what and how they are doing vice *ONLY* contacting them when they need something.

In your Program, business or office, it is essential to meet people and make as many contacts as you can. Doing this is called establishing a support group or **networking**.

Networking is weaving colleagues into a support group. It normally occurs outside your office at places and times when you have a chance to meet and talk informally with other people.

An effective support group can give you fresh ideas, solutions to problems, and information on latest trends. And it can help keep you out of trouble you don't even know exists by giving you a "heads-up" based on their experience.

NOTES (cont.)

People in your support group do not necessarily have to be in the same business as you, although many undoubtedly will be.

Your important points-of-contact may include:

- Key MCCS staff members.
- Key colleagues both inside and outside your professional circles.
- Immediate and other key supervisors/managers.
- Department/business heads and key (effective) department/business staff.
- Community and national organization leaders who share common and/or related skills/knowledge, information, products and services.
- Professional/organizational individuals who share common and/or related skills/knowledge, information, products and services.
- Your tutors, counselors, and mentors.
- Key advisory board members.
- Movers and shakers as well as the whiners and complainers.

This task is best accomplished by maintaining your record of names and phone numbers with notes describing the products, services, and support each provides in one place. (E.g., PDA, desktop computer, address book, daily journal, etc.)

This may be done using the forms provided in the task; forms of your own design; traditional address books; address/contact software; pocket computers/personal data assistants; daily journal; things-to-do list/scheduler; time management tool; or professional subscription services. The important point is that you establish a single-source system that works best for you and one you will use.

This task provides you "a" way to record this important information. Three worksheets are provided at the end of the Task for recording your network information.

NOTES (cont.)

The three worksheets are designed to record:

- Local Command Points-of-Contact.
  - This worksheet is designed for recording the names, addresses, notes, phone numbers, and e-mail addresses of MCCS staff and local Command members with whom you share resources, ideas and successes.
- Local Community Points-of-Contact.
  - This worksheet is designed for recording the names, addresses, notes, phone numbers, and e-mail addresses of local community professionals and product/service providers who support you/your Program, business or office.
- State and National Organizational Points-of-Contact.
  - This worksheet is designed for recording the names, addresses, notes, phone numbers, and e-mail addresses of state and national/international professional association/agency members and product/service providers who support you/your Program, business or office.

Edit or redesign the worksheets to suit your needs. As you see, the worksheets are blank for the most part. Their titles and subheadings suggest the type of information you may need. Since you are the best judge of your requirements, you can change the worksheets as necessary.

Studies estimate that the general body of the world's knowledge doubles every 1.5 years. Effective networking may be your only hope of staying atop the "new" knowledge most valuable to you and your Program, business or office.

NOTES (cont.)

Networking isn't always easy, but it is always worth the effort. We have lots of excuses why we can't network, but most of them usually hide the fact that we just don't know how to do it. This task will provide all you need to know to network successfully.

The successful networker MAKES time in his schedule to regularly meet and greet, to schmooze, and to be *truly concerned* about how and what other individuals, departments, programs, and organizations are doing.

The successful networker has a secure sense of self that does not require him to be right while everyone else is wrong. Rather he builds trust, asks for and gives assistance, and works on developing his network into a community instead of a list of people who provide assistance, products, or services.

A networker is a team player, not a soloist or showoff!

WARNING

Unless your equipment is certified by your security agency, do not take cell phones, pagers, recorders, PDAs, laptops, etc., into any secure space/facility. If in doubt, ask your Marine Corps security/PMO office.

PROCEDURE

Step 1 Select any of the following recording methods to maintain your network. (You may already be using one of these.)

☐ Copies of the forms provided after page 4.1.18. (These can be bound into a loose-leaf binder or reduced to fit your day planner.)

-OR-

☐ Contact/address software and a personal, portable notebook, pocket computer, personal data assistant (PDA), or similar electronic communication solution.

-OR-

☐ Rolodex type file system.

-OR-

☐ Business card envelopes in a binder.

-OR-

☐ Daily scheduler, things-to-do, daily journal.
(See Task 4.4, Manage Your Time and Things-To-Do.)

-OR-

☐ Other: ____

Step 2 Gather all your current point-of-contact (POC) data/information.

These may be found in the following:

- Desk-top/wall planners.
- Daily scheduler, things-to-do, daily journal.
- Address books/software.
- Rolodex.
- Business card files.
- Purchase/contract records.
- News release/press clippings files.
- Detailed activity plans.
- Local command/community phone books.
- Your personal training records/notes.
- Your recall list(s).
- Your professional organization files/network directories.

NOTE: Ask your immediate manager/supervisor and colleagues if they have network contacts you should meet and include in your network.

Step 3 Organize your existing network into related categories based on how you work, what you do, and how you best manage information.

Example--You might categorize your contacts into:

- Coaches, counselors, tutors and mentors.
- Colleagues, coworkers, peers.
- Commercial sponsors (following local and official policy).
- Information sources for supplies, goods, services, etc.
- Key staff members.
- Key department members.
- Key command members.
- Key local community members.
- Key professional organization members.
- Friends/family.
- Recall list(s).
- Programs and departments.
- Etc.

NOTE: The provided forms are **NOT** labeled for these categories.

The three forms are headed as:

- Local Command Points-of-Contact.
- Local Community Points-of-Contact.
- State and National Organizational Points-of-Contact.

If your network is large, you will want to further organize your contacts into groups like those listed in this step. It is easier to find a local contractor or vendor in an alphabetical listing of one “type” of contact rather than among a list of all your network contacts.

One of the chief advantages of an electronic database is that you can sort by categories or see all of a list. But if you’re frequently away from or don’t use a computer in your job, a paper system is probably a better choice.

Step 4 Answer the following questions for each contact in your existing network.

☐ Is your contact information correct?

- Name.
- Address.
- Phone numbers.
  - Toll-free voice and fax.
  - DSN voice and fax.
  - COMM voice and fax.
- E-mail addresses.
- What the person does, supplies, provides, etc.
- Your notes.

☐ Is the business/organization/service still important?

☐ Is your original POC still the same person?

NOTE: Update information resulting from "NO" answers, or discard the network contact.

You may need to make some calls to confirm name, address, and phone numbers. This will be a good time to reestablish the contact if it was a good one.

Step 5 Record your existing network information into whichever recording medium you've selected.

Include the following in your network records.

☐ Name.

☐ Address. (Business, military, and/or personal as applicable.)

☐ Phone numbers:

- Toll-free voice and fax.
- DSN voice and fax.
- COMM voice and fax.

☐ E-mail addresses.

☐ Notes:

- What he does, supplies and/or, provides to you/your Program, business or office.
- What you do for him and vice versa.
- Date of last contact.
- Brief content of last contact.
- Personal information as applicable to the relationship.
- Where you met.

☐ Other notes to include:

- Business hours.
- Time zone.
- Preferred contact times.
- Preferred contact methods. (Voicemail, fax, e-mail, mail, direct contact face-to-face or by phone, etc.)
- Preferred shipping methods and shipping information.
- Interests.

NOTE: Consult with your immediate manager/supervisor, staff, written records, magazines, newspapers, friends and anyone or anything else that may provide you additional network contacts and information.

Step 6 Look for opportunities to network in ways most appropriate to how you work.

Networking opportunities may exist in any of the following:

- Alumni groups.
- Chance encounters.
- Coalitions.
- Commercial sponsors.
- Community groups.
- Computerized network, special interest groups.
- Conferences.
- Fraternities/sororities.
- Forums.
- Meetings and "after-meeting" meetings.
- Mentor/protégé programs.
- Performance improvement teams.
- Professional associations.
- Project teams.
- Quality circles.
- Retreats.
- Schmoozing... (Getting out and about; meeting the people!)
- Sensitivity training groups.
- School.
- Social events.
- Special interest groups.
- Spiritual/religious groups/organizations.
- Sports events.
- Etc.

Step 7 Carry business cards!!! (Check local and official policy regarding purchase, design, etc.)

Step 8 Accomplish the following to get the most benefit from each new professional encounter.

NOTE: Normally, networking takes only a few moments. After you've practiced this process a number of times, it should become second nature.

Networking sometimes pays off immediately, and sometimes later. Don't concern yourself too much with payoff--that's more cold and calculating than a manager/supervisor needs to be. Just set out to make professional friends of your colleagues and others you meet in your career--eventual payoff is almost guaranteed.

To build a network, you have to talk to a lot of people you don't know--at first. Talking with strangers is hard for many, people. As a matter of fact, it has a name that says how a lot of people feel about--"cold calls." But there's a way to make "cold calls" that just about guarantees a pleasant experience.

Here it is....

COLD CALL:

☐ Greet the person.

- Make the first move; be assertive. Don't wait for someone else to introduce you. Smile and say, "Hi, I'm Sam/Sandy, manager . . ."Pause expectantly, maybe with your hand out, inviting a shake. Most of the time, the other person will be so relieved to discover a friendly person that you'll hit it off just fine.
- Use open, positive, non-threatening body language and appropriate eye contact.

☐ At some time during your conversation, usually toward the end, exchange business cards.

- If the person doesn't have cards, use the back of one of yours and write down his or her name, address, phone number, what he/she does, and the context and/or circumstance of your meeting.
- Line through your address and put it in a different pocket or place in your purse, portfolio, briefcase, etc., so you don't accidentally give it to someone else!
- Always make a note on the back of cards you receive to remind yourself of any "get" or "give" promises you made or were made to you, and something to help you remember the person (date, where you met, unique characteristics, gender, approximate age, student/practitioner, etc.). The only thing worse than having no network is starting one and then not following through.

Step 9 Record the results of each new professional encounter (cold call) in your network file, records, or electronic system.

☐ Name.

☐ Address. (Business, military, and/or personal as applicable.)

☐ Phone numbers:

- Toll-free voice and fax.
- DSN voice and fax.
- COMM voice and fax.

☐ E-mail addresses.

☐ Notes:

- What he does, supplies, and/or provides you/your Program, business or office.
- What you do for him and/or vice versa.
- Date of last contact.
- Brief content of last contact.
- Personal information as applicable to the relationship.
- Where you met.

☐ Other notes to include:

- Business hours.
- Time zone.
- Preferred contact times.
- Preferred contact methods. (Voicemail, fax, e-mail, mail, direct contact face-to-face or by phone etc.)
- Preferred shipping methods and shipping information.
- Interests.

Step 10 Ensure you accomplish the following to get the most benefit from your professional development opportunities. (E.g., training sessions, workshops, conferences, local/regional/national meetings of professional associations, etc.)

☐ Plan what you will accomplish ***before*** you leave your command.

- Discuss, with your immediate manager/supervisor, what you want or need to achieve.
- Develop goals, objectives, and desired outcomes for attending training sessions, meetings, workshops, conferences, etc.

☐ If you are going with colleagues or staff members, split up the goals, objectives, assignments, and desired outcomes.

☐ Don’t stay, eat, or socialize with your colleagues/staff any more than is necessary (polite) unless you also have a tutoring/mentoring agenda. You’re at the event to meet new people, learn new things, or resolve issues. You can always get together with your colleagues and/or team members when you return.

☐ Do meet briefly with your colleagues/staff to compare notes on how the training session, meeting, workshop, conference, is going.

☐ Work the session according to your plan--don’t just drift/coast.

☐ Don’t worry about work, it will definitely be there when you return. Contrary to popular beliefs, staffs do just fine when their managers/supervisors are away!

☐ Set a goal to meet at least 3-5 new people each day. Get at least 3-5 network business cards each day. Don’t just ***collect*** business cards--try to meet people who can help you and whom you can help. Look for people whose strengths play to your weaknesses and vice-versa.

☐ Renew past relationships.

☐ Always make a note on the back of cards you receive to remind yourself of any “get” or “give” promises you made or were made to you, and something to help you remember the person. (Date, where you met, unique characteristics, gender, approximate age, student/practitioner, etc.) The only thing worse than having no network is starting one and then not following through.

☐ Use the procedures in Step 8 when meeting “future” network members.

☐ Visit the community, host installation, area, etc., and do at least one fun thing with your new network acquaintances whenever possible! If in late fall, shop for special things from the area for holiday gifts and/or keepsakes. These will help reinforce the overall conference/workshop experience.

NOTE: Focus on QUALITY relationships..., not quantity!

Step 11 Keep your promises! Follow up with your new network members as soon as you return and definitely within the week of your return.

☐ Use a phone call, e-mail, or a note (postcards are great for this). Your follow up should say:

- You enjoyed meeting them.
- A "Thank You" for their ideas, time, or anything else they provided.
- Why they interest you, and/or what you can/will do for them.

Step 12 Maintain your network.

☐ Talk with and e-mail your network members periodically just to see how they are and what they are doing. Ask if you can help them with anything.

☐ Keep addresses and phone numbers up-to-date.

☐ Add new contacts as described in Step 9.

☐ Always keep your promises!

☐ As the nature of your job/career changes, adjust your network and modify your network records accordingly.

☐ Keep in touch across time. (Six months is about the longest you should wait before checking in again.)

☐ Keep up your "give" score. Don't look only for "gets," for obvious reasons. Networking is for mutual support. Don't wear out your welcome by being a "taker" only.

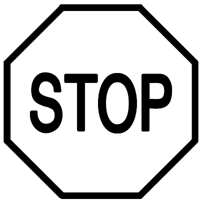
☐ Be selective about your network. Focus on quality relationships, not quantity. Don't waste a lot of time on people who aren't responsive or don't come through on their offers. Review your index yearly. Weed out the "duds" and put those cards (or data) in an inactive file or toss them.

Step 13 Coach your key staff members and protégés to establish and maintain a professional network.

Step 14 Use your network whenever you need to:

- ☐ Job hunt.
- ☐ Formulate important decisions.
- ☐ Solve problems.
- ☐ Locate general, technical, and/or official information.
- ☐ Discuss/discover alternatives/latest trends.
- ☐ Locate sources of supplies/services.
- ☐ Brainstorm new ideas/solutions.
- ☐ Obtain personal/professional training.
- ☐ Obtain personal/professional counseling/guidance.
- ☐ Obtain career development assistance.
- ☐ Get advice on professional development.
- ☐ Get answers.

This is easy and fun..., just jot down some notes about your need, situation, condition, or problem, review your network list to locate the 3-5 network members most likely to have the “best” answers, solutions, or what you’re looking for, then get on the phone and “network”! Ask for their help or suggestions depending on what you need, want or have as a problem. (Incidentally, “get on the phone” equates to telephone, fax, e-mail, letters, memos, note cards, and especially face-to-face!)



Congratulations! You’ve completed this task.

Local Command Points-of-Contact
Networking Worksheet #1

Name	Address	Type Products/Services/Info	Phone/e-mail Numbers

Local Community Points-of-Contact
Networking Worksheet #2

Name	Address	Type Products/Services/Info	Phone/e-mail Numbers

State/National Organizational Points-of-Contact
Networking Worksheet #3

Name	Address	Type Products/Services/Info	Phone/e-mail Numbers

MCCS MANAGERS' DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.2

Ensure Extraordinary Customer Service

DO THIS TASK WHEN

- Operating your MCCS Program from the moment you and your staff arrive until you close, and your last customer/patron, staff member, and/or colleague, peer, vendor, or contractor has departed!
- Involved in any face-to-face, telephone or correspondence action, transaction, or interaction with every customer--whether internal or external.
- Striving to ensure customer satisfaction and loyalty.
- Working on various initiatives to create positive memorable customer experiences.
- Working on various initiatives to Achieve World Class Customer Service.
- Working to change how your customers/patrons perceive your current MCCS Program.
- Trying to improve/increase your Program's service and performance measurements. (E.g., increased patronage/ participation, bottom line, profit, cost per user, customer satisfaction scores, etc.)

REFERENCES

- MCCS World Class Customer Service Program

REFERENCES (cont.)

- Fabled Service, Betsy Sanders, Jossey-Bass Publishers, San Francisco, CA., 1995.
- Raving Fans, Ken Blanchard and Sheldon Bowles, William Morrow & Co., Inc., New York, NY, 1993.
- What Every Supervisor Should Know, Lester Bittel and John Newstrom, McGraw Hill, New York, NY, 1990.
- Delivering Knock Your Socks Off Service, (and the KYSO series), Ron Zemke, (et. al.), American Management Association (AMACOM), New York, NY, 1998.
- Quality Customer Service, William Martin, Ph.D., Crisp Publications Inc., Menlo Park, CA, 1993.
- Beyond Customer Service, Richard Gerson, Ph.D., Crisp Publications Inc., Menlo Park, CA, 1993.

SUPPLIES/ RESOURCES

- Current MCCS Customer Survey or similar assessment data that indicates your customers'/patrons' preferences, wants, needs, priorities, opinions, expectations and demographics.
- Current demographic, cultural, generational, educational, experiential, attitudinal, and beliefs and values data/ information about yourself, your managers, supervisors, and your staff.
- Current Program performance data. (E.g., financial data, patronage/participation numbers, bottom line figures, profit figures, cost per customer/patron, satisfaction scores, etc.)
- Current inventories and condition reports of all your Program's facilities, equipment, vehicles, and supplies.

SUPPLIES/ RESOURCES (cont.)

- MCCS World Class Customer Service Program

- Handout--Government Ethics and Standards of Conduct. (Provided at the end of this task.)

- All directives, instructions, orders, policies, and standard operating procedures (SOPs) applicable to your MCCS Program.

- Staff members who possess the skill, knowledge, ability, and commitment to meet/exceed your customers'/patrons' needs and expectations.

- Systems of communication, behavior, relationships, incentives, motivation, and training and development that cause your staff members to "want" to meet/exceed the customers'/patrons' needs and expectations at every opportunity.

- A clean, attractive, and safe environment (facilities and grounds) necessary and appropriate for the delivery of extraordinary MCCS Program activities, events, products, and services.

- Top quality equipment and "just-in-time" supplies and inventories in sufficient quantities necessary for you and your staff to deliver extraordinary MCCS Program activities, events, products and services.

- MCCS Program vision, mission, goals, and guiding principles that focus on, and define, how you and your staff will meet and exceed your customers'/patrons' needs and expectations.

SUPPLIES/ RESOURCES (cont.)

- Video, Walk The Talk, Walk The Talk Company, P.O. Box 971259, Dallas, TX 75397-1259 (Available from MRG Training Library).
- Video, The Art of Negotiating, LearnCom, 38 Discovery, Suite 250, Irvine, CA 92618 (Available from MRG Training Library).
- Video, FISH, Charthouse International Learning Corporation, 221 River Ridge Circle, Burnsville, MN 55337 (Available from MRG Training Library).
- The Telephone series by the Telephone Doctor, St. Louis, MO, 1989.
- Your MCCS Managers' Desk Reference set.
- Computer and survey software.

THIS TASK IS DONE CORRECTLY WHEN

- You and each member of your staff are aware of what your customers/patrons want, need and expect in the way of activities, events, products, services, and staff skill, knowledge, abilities, professionalism, behavior, and customer/patron service and treatment.
- You and each member of your staff provide dazzling service, serve with dignity and treat each customer/ patron with care, respect, and deference whether face-to-face, on the telephone, or in written correspondence.
- You and each member of your staff treat one another and your Marine Corps and MCCS Program colleagues with care, respect, and deference.
- You and each member of your staff strive to create "Raving Fan" customer/patron *loyalty* at every opportunity. (Where loyalty is a "willingness by the customer/patron to continue being served by and to speak well of you, your staff, and your Program".)

THIS TASK IS DONE CORRECTLY WHEN

- You and each of your managers and supervisors strive to create and support *World Class Customer Service*.

- You and each member of your staff avoid, at all costs, the need to prove that you (the MCCS Program, or staff member) are "right" and the customer/patron is "wrong". In other words, you choose to be flexible, to create win-win results, and to never be "Dead Right"!

- Overall customer/patron satisfaction scores/ measurements improve annually by your Program's team-developed and agreed upon goals/targets.

- Customer/patron dissatisfaction scores/measurements or comments decrease annually by your Program's team-developed and agreed upon goals/targets.

- Your MCCS Program delivers timely and consistent quality and value in all of its activities, events, products, and services.

- Your MCCS Program offers diverse, valuable, exciting, safe, entertaining, healthy, customer-focused activities, events, products, and services.

- Your MCCS Program serves and meets the morale, welfare, and recreation needs of the Marine Corps, the Command, attached units, senior leadership, and all eligible customers/patrons with respect to the purpose/mission of your Program.

- Your MCCS Program operations, facilities, activities and events are designed and managed to minimize the results of major environmental disasters, accidents, work-related illnesses/injuries, and fatalities.

- You Program meets or exceeds published MCCS operating standards.

NOTES

Put simply..., Ensuring Extraordinary Customer Service is what your job is about! And this Task is what all of this MCCS Managers' Desk Reference set and supporting training is about!

Let's take an imaginary MCCS trip for a moment. First, envision your favorite resting/relaxation place. This may be the beach, lake side, your deck/patio, by the pool, in the park or library, while sitting on the stoop, walking or jogging, or in your easy chair, hammock, bed, or whatever. Now..., visualize yourself there and imagine that while resting (with your favorite snack, beverage, and stress-reducing entertainment), you suddenly see this new image of your MCCS Program:

- You're in brand new, spacious, state-of-the art facilities. See yourself there..., be the facility.
- Your access and parking areas are clean, well lighted, and more than ample, and your grounds are beautifully landscaped, manicured, and maintained like a park or resort. Just see how it looks as you drive up.
- Your signage is professional, effective, yet understated.
- If anything, your equipment, supplies, and vehicles are too good to be true; all new, state-of-the-art; why it's nearly embarrassing! And imagine also, that the few minor problems you encounter are handled by a maintenance team that is always flexible and flawless in their accomplishments as they *expedite* your every requirement.
- Your perfectly-hired, happy, motivated, competent, and efficient staff is fully trained, cross-trained, committed to excellence, and to treating one another and everyone politely, happily, fairly, honestly, professionally, ethically, and with care, respect, dignity and deference.
- Your hours and days of operations meet everyone's needs and your fees, prices, and charges are deemed fair, appropriate, and a genuine value by even your most conservative, critical, suspicious, accusational, curmudgeonly, curmudgeon!

NOTES (cont.)

- Your customer-focused, competitor-free activities, events, products, and services are varied, exciting, interesting, safe, authorized, and most importantly, they fulfill, delight, and exceed your customers'/patrons' needs, wants, priorities, opinions, and expectations.

At this point, you may be smiling and thinking....,

But as you bask in this perfect vision, you notice something peculiar--something pretty scary--actually something awful! You don't have a single customer/patron. **(A "Home Alone" scream!)**

Everything about your imaginary MCCS Program is perfect, but no customers/patrons! And what do you have, if you have no customers/patrons?

You would have NOTHING! "𝄞♫♪♫ Close the doors, turn out the lights, the party's over...,♬♪♫" Go home--forever!

NOTES (cont.)

The point of this wildly imaginary trip, is that you just compared everything about your business to a state of "better"..., well okay..., to a state of "extraordinary perfection". But in just a few brief moments you created (imagined) a vision of a "better" MCCS Program. And more importantly, you reaffirmed that without customers/patrons, you have no Program...; you have no job.

Well in reality, the absolute "perfection" of this vision may not be attainable or sustainable by most MCCS Programs. You will of course have some customers/patrons. You will have competition; both on and off the base! And perhaps you will have a "few" other minor problems every now and then (☺/ ha!). (But remember..., problems are usually just unrealized opportunities.)

One purpose of this Task is to call your attention to the Tasks throughout your MCCS Managers' Desk Reference that are important to achieving extraordinary customer service. This Task will challenge you to examine and perhaps choose to improve various elements of your MCCS Program. While focused primarily on the core side of customer service, you will find Steps reinforcing the behavior/relationship side of customer service too.

The focus on the "core" business side of achieving extraordinary customer service will call your attention to the following: environment, policies, facilities, staff, equipment, research, planning, programming, safety, fees, prices, and charges, inspections, maintenance, evaluation, training, management, supervision, performance reviews, accountability, standards, interviewing, coaching, counseling, finances, supplies, hours/days of operation, merchandising, and so forth and so on.

If you have this "core" part of your customer service house in good order you can expect pretty good results. If you imagine getting a report card, most customers/patrons will probably give you a "C" or even a "B" once in awhile.

"Whoa, you say! If our Program matches our dream--our vision, I'll bet we'll get all "A's"."

NOTES (cont.)

Perhaps..., but in fact customer service research suggests that while you may get *some* “A’s” for “awhile”, most of your customers/patrons quickly come to **expect** your “new”/ “improved” conditions/methods/operations, etc., and down go the grades to about “C’s”. That’s not a ho-hum “C”, it’s just a, “that’s what’s expected ‘C’”. Kind of a bummer, huh? Once you move the bar up, your customers/patrons **expect** it to stay there! Now, regress, and you’ll receive criticism (“D’s” or maybe an “F”.) (And the “F’s” are customers/ patrons who leave, say little or nothing to you, never return, but tell at least 15 others about what you can’t, don’t, or won’t do!)

And a related thought... can you and the MCCS Department afford to keep “spending” on the physical environment to achieve new “B’s” and an occasional “A”? ....probably not!

An affordable alternative--and a very economical way to realize truly “effective” and “sustaining” improvement, **(“A’s”)** is by changing how you, your managers, supervisors and staff **behave** with one another and with your customers/patrons.

It is very important that we make the following distinctions about how you and your staff interact and treat every customer/patron.

These are:

- You and every one of your managers, supervisors and staff members have absolute control over the ways you **choose** to behave. (Whereas you may have little or no control over the condition/age of your facilities, equipment, vehicles, or other resource driven variables.)

- You and every one of your managers, supervisors and staff have absolute control over providing unique and extraordinary customer/patron treatment as opposed to typical, “one-size-fits-all”, “our policy is”, and, “I just do what they tell me” service, whether face-to-face, on the telephone, or in writing.

NOTES (cont.)

- Your **unique** customer/patron treatment **SYSTEMS** (your policies, practices, attitudes, beliefs, methods, and approaches) may be the ONLY thing you have to differentiate yourself from your competitors.

To ensure World Class Customer Service, your daily conversations, counseling, coaching, mentoring, tutoring, training, management, supervision, and performance must attend more to the behavior/relationship side of customer service than to the "core" side of your Program.

Providing World Class Customer Service must not be "an initiative", "a program", or a "topic" for occasional discussion or training. It must become a daily way of life--the "must-do" methods by which your Program will succeed and sustain. *Success comes to "only" those who become obsessed with exceeding customer expectations.*

Customer service, the focus of this task and of this Desk Reference, refers to every aspect of your Program.

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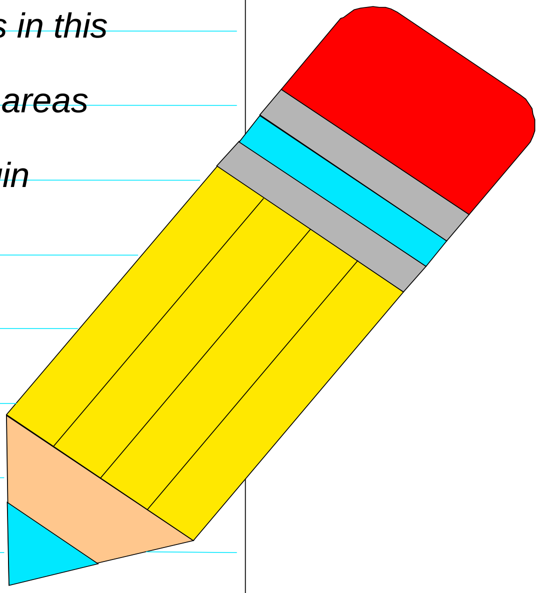
You will be asked to share this task with your immediate staff to conduct a review of your customer service practices and to develop a plan to achieve extraordinary customer service. The task materials you will have to copy for this purpose are authorized, but must NOT be used beyond this effort and must be destroyed upon completion of your initial and follow-on planning and action meetings.

ACHIEVING EXTRAORDINARY CUSTOMER SERVICE

Unlike other tasks in this Desk Reference that focus on a single outcome, this task focuses on the most important aspect of your Program--your customers/patrons. In most cases, the Steps in this Task will send you to other parts of your Desk Reference. After reading all the Steps in this task, you and your staff will need to identify areas of potential improvement. You will then begin planning the long-term journey to improving your Program's activities, events, products, and services; and that of ensuring every customer interaction is one destined to be deemed by your customer/patrons as, ***"extraordinary"****!*



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PROCEDURE

Step 1 After reading the following note, read each step in this task before starting any customer service improvement initiatives.

> **NOTE:** This task, unlike others in your MCCS Managers' Desk Reference, leads you and your staff to use other Tasks throughout your MCCS Managers' Desk Reference set to accomplish various MCCS Program responsibilities/requirements.
>
> Therefore, it is important that you and your staff members know what this Task asks you to do to *ensure extraordinary customer service*. Only then will you be able to identify your customer service strengths and weaknesses and to prioritize your customer service improvement initiatives.
>
> After reading Steps 1-53 in this Task, you, your managers, supervisors and appropriate staff members will take a customer service survey, which is located at the end of the Task. Step 10 provides customer service data to be shared with your staff.
>
> Steps 2 through 9 have you prepare for, and conduct staff meetings in which you will discuss the results of your surveys and identify customer service improvement initiatives.
>
> You will use Steps 11 through 51 as directions to the applicable MCCS Managers' Desk Reference Tasks that will help you accomplish your customer service improvement initiatives. Steps 52 and 53 have you finalize and record a customer service improvement plan.

Step 2 Make copies of the Ensure Extraordinary Customer Service Survey for each of your managers, supervisors and staff members.

> **NOTE:** This survey is **NOT** copyright protected--you may make copies of the survey.
>
> Many of the terms and critical customer service focal points will make more sense to those who have attended the MCCS World Class Customer Service training.

Step 3 Give "advance" copies of the Ensure Extraordinary Customer Service Survey to each of your managers, supervisors and staff members.

☐ Explain to each of your staff members that the purpose of the survey is for them to record their **HONEST** individual reactions about your MCCS Program, not the MCCS department or region.

- **Important**--This process will not work if your staff members do not trust and respect one another, nor will it work if you or any of your staff use this forum to bushwhack, attack, or embarrass others in the meeting! **(If these conditions exist, use an external consultant and team building exercises to fix these major problems first!)**
- If you, or any of your managers, supervisors or staff members regularly or periodically behave and communicate like this, don't even try to achieve extraordinary customer service--you won't be able to!

☐ Tell each of your staff members that it is unlikely that everyone's answers will match on each of the questions and that's okay. Explain that the team-building and customer service improvement strengths and opportunities are to be found in each staff member's observations, experience, opinions, and perceptions about the Program.

☐ Let each of your staff members know that they will examine their answers in upcoming meetings.

☐ Explain that each staff member's response to each question will be recorded on flip chart paper or chalk boards so that the group will be able to see the answers and to:

- Discuss the variances in their individual answers.
- Discuss and note individual observations, experiences, opinions, and perceptions about the Program and each of the questions.
- Identify the group's and the Program's customer service strengths and weaknesses.
- Agree on what to do to strengthen and sustain current Program/customer service strengths.
- Agree on what to do to solve current Program/customer service weaknesses.
- Prioritize Program/customer service improvement initiatives.

Step 4 Ensure each staff member has access to your MCCS Manager's Desk Reference as they may want to read/review other Tasks in the desk reference set.

- You may request extra copies of the MCCS Managers' Desk Reference by contacting the Personal and Family Readiness Division Training (MRG) at the numbers or address in the front of the desk reference.

Step 5 Coordinate an initial meeting date with your managers, supervisors and your staff members to examine everyone's opinions and perceptions about your MCCS Program.

☐ See Task 1.7, Manage Meetings, Briefings and Presentations.

NOTE: Throughout this process, you may want/need to involve others in these customer service improvement meetings and efforts.

For example:

- Your immediate supervisor.
- Customer/patron representatives.
- Major gatekeepers. (I.e., anyone who significantly influences your Program.)
- Special interest representatives.
- Other Program managers.
- MCCS director/site manager.
- Other MCCS senior managers.
- Other on base or regional Marine Corps representatives.
- Consultants, contractors, vendors, etc.

Remember, achieving extraordinary customer service is a matter of planning, and hard, dedicated, consistent, quality work, and group persistence. All the "bad stuff" will happen all by itself--you don't have to plan or work at it, just maintain the status quo!

Step 6 Prepare and distribute a meeting announcement and agenda.

☐ See Task 1.7, Manage Meetings, Briefings and Presentations.

☐ Depending on the nature and scope of your Program; its current environmental, operational, and customer service condition; and the relationships of the meeting participants, your agenda may need to include:

- Introductions and meeting icebreakers/warm-up activities.
- Statement of the purpose and goals of the meeting.
- Ground rules for the conduct of the meeting(s). (These should be devised and/or modified by, and agreed to, by all meeting participants.)
- An agreement that mutual respect and decency will prevail throughout the meetings and be the watchword of everyone's behavior--otherwise the Program is predisposed to failure!
- An understanding that the meeting activities will **NOT** place or relocate blame, or make anyone absolutely "right" or "wrong".
- A reinforcement of the value and importance of every member's observations, experiences, opinions, and perceptions about the Program.
- A statement that all participant's ideas or questions are worthy, and are not to be ridiculed or casually discounted, but rather respected and examined.
- An understanding that the focus of the meetings is to (1) identify how to work together, (2) identify improvement opportunities, and (3) devise prioritized plans/initiatives which will lead to *extraordinary customer service*.
- An understanding that some improvement ideas, no matter how terrific, may not be achievable due to unalterable laws, unattainable resources, insufficient usage potential, etc.
- Recording and comparing each member's answers from the Ensure Extraordinary Customer Service Survey.
- Agreement, through discussion, research, examination, and positive argument on improvement opportunities.
- Prioritization of improvement opportunities/initiatives.
- Dates and times of follow-on meetings.

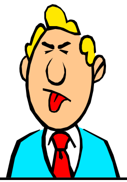
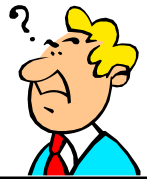
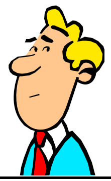
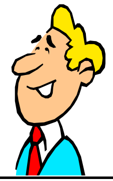
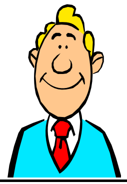
Step 7 Coordinate the scheduling of a meeting area, amenities, supplies, and equipment applicable to your meeting plan.

☐ See Task 1.7, Manage Meetings, Briefings and Presentations.

Step 8 Conduct your initial customer service improvement meeting.

☐ See Task 1.7, Manage Meetings, Briefings and Presentations.
☐ Conduct applicable meeting introductions and openers.
☐ Get agreement on the agenda--then follow it.
☐ Get agreement on the ground rules, and then facilitate within the agreed-upon ground rules.
☐ Display and discuss flip charts showing the customer service statistics. (See Step 10.) Ask the group for their reactions.
☐ Ensure everyone understands the goals of this effort. (ASK!)
☐ Record each staff member's Ensure Extraordinary Customer Service Survey answers on flip chart paper or chalkboard.

- The answers are represented by five (5) emotional faces representing an ***opinion*** ranging from "completely disagree" to "completely agree".

1 COMPLETELY DISAGREE	2 MOSTLY DISAGREE	3 NEITHER AGREE OR DISAGREE	4 MOSTLY AGREE	5 COMPLETELY AGREE
				

- In a round-robin fashion, starting with question number one, tally each member's response.

- Do **NOT** discuss the responses at this time. Instead, record everyone's answers to all the questions. To do otherwise runs the risk of using valuable meeting and performance improvement time and discussion on an area with little return on investment (ROI) as compared to other improvement opportunities with higher impact potential.

Step 8 (cont.)

- Starting with a different member, tally each member's response to question number two.

- Continue, until all answers are recorded.

☐ Examine the total responses to each question to identify the questions with the greatest number of "bad" faces (1's, and 2's), then those with "average" ratings, (3's), and finally those with "great" ratings (4's and 5's).

☐ Discuss and clarify each survey item that received a significant rating variance among the group's responses.

☐ Arrive at a consensus about those survey items that have significant variance.

☐ Starting with the "worst" responses, record on the flip chart or chalkboard, a list (by question numbers), of the "worst" to the "best" ratings. (Don't worry about identical ratings at this point.)

☐ Prepare to end this meeting.

☐ Let everyone know that you will give them a printout of the "worst" to "best" list.

☐ Agree upon a date and time for the next meeting.

☐ Ask everyone to start thinking about ways to improve these ratings.

- Ask that they research the subject, look at competitors, and talk with one another and with friends, family, colleagues, and other business people about ways to improve these ratings.

☐ Ask for closing comments, ideas, and answer any of the member's questions.

☐ Close this first meeting by thanking everyone for their participation, cooperation, honesty, and contributions.

☐ Evaluate the meeting. (See Task 1.7, Manage Meetings, Briefings and Presentations.)

Step 9 Coordinate follow-on customer service improvement meetings.

☐ See Task 1.7, Manage Meetings, Briefings and Presentations.

☐ Coordinate meeting area, amenities, set-ups, equipment, materials, supplies, etc.

☐ Prepare and forward list of the “worst” to “best” tallies to your members.

☐ If appropriate/applicable to where you left off at the end of the first meeting, prepare and distribute a meeting agenda for the follow-on meeting.

NOTE: The length and number of follow-on meetings will depend entirely on the nature and scope of your Program and the amount and substance of the improvement opportunities/initiatives identified/selected by your group. Depending on the size of your Program, your customer service improvement effort could be as small as a few conversations affecting minor changes to conducting multiple meetings with numerous, follow-on Program and behavioral change initiatives.

It’s important to repeat that achieving extraordinary customer service is NOT a “program”; NOT a one-time “stand-down”; NOT a one-time “repair”, “action-item”, or “initiative”; NOT a “training” or “intellectual exercise”; and definitely NOT the most recent management thing of the day.

What it is--what it must be, ***is the way you and your staff conduct your Program and your lives forevermore!***

☐ Welcome everyone and accomplish applicable meeting introductions and openers.

☐ Accomplish a brief review of what the group accomplished at the last meeting.

☐ Discover if any member wants to “re-score” a question as a result of their research, reflection, and discussions. If yes, discuss the change and find out why..., others may “piggy-back” this new thinking.

☐ If applicable/agreed to; adjust the current rating list.

☐ Get agreement/consensus on the first item that the staff should attempt to improve. (See Task 1.4, Analyze Data/Draft Needs List for guidance on determining whether an idea is “realistic”, “achievable”, and “worth” doing.)

☐ Review brainstorming methods and ground rules. (See Task 1.7, Manage Meetings, Briefings and Presentations.)

Step 9 (cont.)

☐ Brainstorm improvement ideas until the group's ideas are exhausted.

☐ Examine and prioritize ideas to solve this problem or improve this service area. (See Task 1.5, Prioritize Needs/Preferences.)

☐ Discuss and agree on what's involved in accomplishing each customer service improvement idea/initiative/recommendation.

- Cost in dollars and time.
- Approval requirements.
- Impact on your facilities, grounds, equipment, supplies, vehicles, and/or resale merchandise.
- Changes in regulations, policy, procedure, practice.
- Training requirements.
- Reorganization requirements.
- Consulting, vendor, or contracting requirements/needs.
- Staff assignments... who will be assigned to accomplish? (May be everybody!)
- Changes in activities, events, products, and/or services.
- Coordination requirements with other MCCS Programs and/or other on-base or local/departments/offices.
- Impact on customers/patrons while implementing/transitioning.

☐ Repeat this process for each item on the list working from the "worst" rated items towards "best" rated items.

☐ Facilitate a decision on how many customer service improvement initiatives to attempt at one time.

- You and your staff will need to base this decision on the magnitude of the problem and the scope, complexity, cost, predicted accomplishment time and the capacity of your staff to accomplish the initiative(s).

WARNING:

(1) Don't take on any "improvement" initiative that won't be recognized as an improvement (or at all) by your internal customers and especially your external customers/patrons!

(2) Don't take on any "improvement" initiative you cannot sustain! This will do more customer service damage than good.

Step 10 Read and share the following customer/patron facts with your managers, supervisors and staff.

☐ Ensure you and every member of your staff behaves and serves to minimize these customer realities at your Program.

Here are some of the "grim" realities of less than extraordinary customer service as reported in various studies:

- Only 4% of customers/patrons who have had a problem ever complain. This implies that you may never hear from 96% of your customers/patrons--they just go away angry. And 91% of these just go away because they believe that their complaints will not do any good. In fact, the few complainers are the ones most apt to continue doing business with you and are probably your most loyal customers. They care enough to tell you what they see as weaknesses.

- For every complaint you receive, there are 26 customers/patrons with unresolved problems or complaints, and six of these have serious problems. These 26 are customers/patrons you will never hear from again and these are the ones who could tell you how to make your business better. (Get their feedback any way you can.)

- Most customers/patrons who complain to you (56%-70%) will do business with you again if you resolve their complaint/problem. If they feel you acted quickly and to their satisfaction, then up to 96% will do business with you again, and they will probably refer other people to you.

- A dissatisfied customer will tell 9-15 people about it. And approximately 13% of your dissatisfied customers will tell more than 20 people about their problem. Your Program cannot possibly afford the advertising cost it would take to overcome this negative word-of-mouth advertising.

- Happy customers/patrons, or customers/patrons that have their problems resolved, will tell between 4-6 people about their positive experience. Therefore, you have to satisfy three to four, for every one that is dissatisfied with you. It's tough to work with a 4:1 ratio against you which is why your customer satisfaction efforts are so important.

Step 10 (cont.)

- Programs that provide extraordinary customer service can charge more, realize greater profits/participation, increase market share, and will have customers/patrons who willingly pay more for (or use) their products and services simply because of the extraordinary service.

- It costs five to six times as much to get a new (first time) customer as it does to keep a current one.

- Customer loyalty can be worth up to 10 times as much as a single purchase.

- The lifetime value of any single customer is worth more than the cost of returning their purchase price on a single item.

- The rule of 10's: It cost up to $10,000 to get a new customer; 10 seconds to lose him/her; and up to 10 years for the customer/patron to get over whatever made him/her leave you.

Where do your customers/patrons go when they disappear?

1%	Die.
3%	Move away.
5%	Float/seek alternatives or develop other business relationships or are influenced by friends.
9%	Are lured away by the competition.
14%	Are dissatisfied with the products/services/pricing.
68%	Are upset with the treatment they have received..., or an attitude of indifference on the part of an employee.

And there you have it--you have control of the outcome of up to 96% of this situation!

NOTE: The average business loses about 20% of its customers/patrons annually because of poor customer service.

Can you honestly afford to keep seeking and replacing this many of your customers/patrons each year? Especially in a military system that has built-in customer/patron loss due to transfers, separations, and retirements?

The preceding data is from the White House Office of Consumer Affairs, Washington, DC.

Step 11 After reviewing all Marine Corps and local instructions and SOPs about customer service (if any), **prepare** a Customer Service SOP for your MCCS Program. (See Task 9.3, Develop Internal Policies/Procedures (SOPs).)

Your MCCS Program SOP may include:

☐ A purpose statement about the SOP and a definition of the vision, mission, purpose, and guiding principles of your MCCS Program.

☐ A definition of what standards constitute extraordinary customer service for your Program.

☐ A definition of both internal and external customers, described in terms of your Program.

☐ Requirements for initial and recurring customer service training.

☐ The methods and value of continuous process improvement and of staff and customer/patron suggestions.

☐ Personal appearance, dress code, grooming standards, uniform items, and name tag requirements applicable to your Program.

☐ How your staff is expected to communicate and behave with one another and with all customers/patrons, guests, visitors, contractors, vendors, etc., whether face-to-face, on the phone, or in writing. (Define **your** Program's "Moments of Truth".)

☐ Describe applicable protocol situations and requirements relative to your Program.

☐ Outline your customer/patron service recovery procedures--how to resolve customer/patron dissatisfaction and gain a loyal customer.

☐ Explain the details of how your staff is to solve problems at the lowest possible level (as close to customer as possible) and as quickly as possible.

☐ Zero tolerance for the use of alcohol and drugs in the workplace.

☐ Zero tolerance for violent, abusive, threatening, harassing, vulgar, discriminatory, racist, sexist, or rude behaviors/actions.

☐ Reference to all applicable Program and Department SOPs about safety, sanitation, equipment/facilities inspection and maintenance, program standards, and applicable Standards of Conduct.

Step 12 Ensure you and your entire staff know what your customers/patrons **currently** want, need, prefer, believe to be priorities, perceive about your Program and MCCS, who they are, and what they expect from you, your staff, and your Program's activities, events, products and services.

☐ See Duty 1.0, Tasks 1.1 through 1.5 to conduct needs assessments.

☐ Use your survey software and/or other data collection methods to **regularly** collect, analyze, and act on customer service issues, overall MCCS Program points, and other post-activity/event specific data/information. (See Duty 11.0, Tasks 11.1 through 11.5.)

☐ Be sure to clarify/reaffirm your own vision, before talking with your customers about their visions. This puts you in a better position to understand their visions and their wants, needs, desires, perceptions, beliefs, standards and expectations. (See Tasks 2.5 and 2.6.)

☐ Remain focused on achieving extraordinary service *within the window* of customer service you envision.

- You cannot possibly provide *everything* that *everyone wants/needs*; don't even try! You **can** expect to meet just about everyone's needs/ wants that **are** within the scope and vision of your Program.

- Ensure you and your staff are trained, practiced, and prepared to suggest "alternatives" to wants/needs that fall outside the scope and vision of your Program. (You provide extraordinary customer service when you meet a customers'/patrons' needs, even if you have to send them somewhere else. They'll remember your thoughtfulness and professionalism and they will most likely return to your Program for what you do provide! See Task 8.7, Schedule Use of Facilities, Equipment, and MCCS Vehicles.)

☐ It isn't hard to find out what your customers/patrons want..., just ask them! Then listen very closely to what they say, and to what they DON'T say! (You need to particularly listen to their silence, and to answers like, "it was okay" or "fine"--find out if something is wrong!)

☐ Don't let your Program's history, traditions, customs, rules, regulations, policies, practices, paradigms, and your own "control" issues prevent you from really hearing what your customer/patron tells you. Listen to understand; not to just collect data or to defend.

Step 12 (cont.)

☐ Ensure you and your staff understand the special emotional and attitudinal baggage that your "principal" customer/patron carries around as a result of:

- Individual demographics, etc.
- Where he/she is stationed.
- Daily work assignments.
- Job risks and responsibilities.
- Family responsibilities.
- Current locale and living conditions.
- Management/supervision systems.
- Income.
- Peer relationships and pressures.
- Loneliness, insecurities, immaturity, and frustration.

☐ Ensure you and your staff members understand that this is the customer/patron who from time-to-time may seem to come out of "left field" with odd requests and/or unpredictable behaviors/reactions.

☐ Ensure you and your staff members understand that this is the customer/patron you most need to delight and positively surprise with extraordinary customer service, every time she/he visits your Program. You are one of the Marine Corps solutions to helping improve retention, attitudes, behaviors, skills, professionalism, morale, and quality of life. (See Notes below and on next page!)

NOTE: Your "principal" customer/patron is a young, "Generation-something", Marine. Many are away from home for the first time--away from the support of their hometown friends, immediate and extended family, church, clubs, groups/gangs, culture, and community. The Marine is often away from this support system and even his/her homeport for more than 50% of each year--a particular stress for those who are married and/or who have children. ***(From day one, the Marine Corps (and MCCS) has to try to provide "replacement" support systems.)***

Your "principal" customers'/patrons' workplace is one of the most difficult, stressful, and often dangerous jobs in the world. The base/installation operates 24-hours a day under mission-oriented conditions that include short deadlines, quick decisions, simulations, drills, and exercises that are interruptive and often, highly stressful. Most sailors stand some type inspection every day, and formal, personal inspections 2 or more times annually.

His/her personal living space is typically smaller than a very small walk-in closet. Many have only a 3'x9' rack (bed) space and limited locker space. Each day, he/she shares a bathroom of 6 or fewer toilets, showers, and sinks with as many as 100 other shipmates. For many, a main off-work interest is trying to sleep while their home and job "moves" on noisily, 24-hours a day! Privacy is a premium--and some would say non-existent.

Step 12 (cont.)

NOTE: Social and recreational research indicates that many in this age-group do not know how to recreate very well, and those that do can fall out of the practice with little to do at sea except work, eat, sleep, read, study, watch movies/TV, play board, card, and electronic games, and talk. While off-duty/off-work time is limited, many of these marines are taking classes or studying for promotion.

This **is** your "principal" customer/patron even if this is NOT the person who walks in the door most often. Never lose sight of the fact that this is why there is a Marine Corps Community Services Program.

Of course you know, that in addition to this "principal" MCCS customer/patron, you have lots of other customers/patrons who are quite different. And each brings you his/her own special needs, wants, opinions, expectations, beliefs, values and perceptions. And most are only concerned that you meet "their" needs.

Because of these differences among your customer/patron groups and each individual customer/patron, the daily challenge you and your staff face is to provide individualized/unique treatment rather than "standardized/rigid" service. Rather than serving everyone as a group or a "statistical cluster" (where one size fits all), you must identify and try to uniquely accommodate each individual customer'/patron's needs. That is extraordinary customer service!

Delivering extraordinary service means that you do well the things that are important to your customers/patrons. Doing things well that are not important has absolutely NO impact! The only times that customers/patrons are impressed by service is when it goes well beyond their expectations. However, not meeting their expectations is *their definition of poor customer service*.

Ensure you use data collection methods to confirm what your customers/patrons **really** want--don't believe you "just" know. The rather arrogant idea that you "know" what they want/need can come from innocent enough roots. A Program with a history of satisfying customers often forges ahead based upon their history and traditions rather than the customers' current needs and desires.

Spending vast amounts of money, time, and resources to provide something the customer is not at all interested in having, using, buying, doing, or coming to is a waste! Providing extraordinary service requires careful attention to the changing needs and desires of your customers/patrons, thereby making them the focus of your business.

Extraordinary service begins with understanding your customers'/ patrons' wants, needs, opinions, perceptions, and expectations as the baseline, then seeking to consistently and relevantly improve service delivery to delight and dazzle each one.

Step 13 Ensure you and your staff have a customer-driven vision and mission of your Program and that these are reflected in your Program's goals and objectives.

☐ Review the simple visioning exercise in the notes at the front of this Task. Create a "vision" of perfection centered on the customer and the moment(s) he/she participates in your activities, events or uses your products, and or services. You don't have to be perfect (probably can't be), but you have to imagine perfect.

☐ Answer the following in your vision, mission, and guiding principles:

- Why are we in business?
- What do we believe in? Why?
- Where are we going? Why?
- How do we get there? Why?
- What qualities define the standards of our success?
- What should we do, stop, change, add?
- What do we want to be known for?
- What is our brand? How are we recognized?
- How are we better at what we do than any of our competitors?
- How will we sustain our competitive superiority?
- What do we do to continue to exist?
- How do we accomplish extraordinary service to differentiate us from all the rest?

☐ See Duty 2.0, Tasks 2.5 and 2.6 to prepare, update, and communicate a Program-level vision, mission, guiding principles, goals and objectives.

☐ See Task 6.6 to prepare goals and objectives and to assist your staff in preparing their personal goals and objectives to align with the Program's and yours.

☐ Include customer service goals and standards in your staff's goals and objectives and in your own goals and objectives as well.

☐ Never allow your vision to lock you in. Although you have to pursue the vision like a "monomaniac on a mission", never believe it's the only path to achieving extraordinary customer service. Customers' needs and wants change all the time--so should your vision.

> **NOTE:** Ensure staff involvement in open discussion of your Program's values, mission, focus, and ever-changing vision. These discussions will enlist everyone's support, ensure accomplishment, and create a powerful force for building and maintaining a successful business.
>
> Encouraging everyone to share in the vision of the business and to become involved in its ongoing refinement is the essence of empowering your staff.

Step 14 Carefully select and guide the integration of each performance and behavior improvement effort including every improvement to your facilities, equipment, activities, events, products and services.

☐ Set a goal to deliver your activities, events, products, and services, *"Plus One"* (1%). (From Raving Fans, by Kenneth Blanchard.)

- This means that you, and your entire staff will endeavor to deliver your vision and everything you do plus one percent "extra" at every moment of truth.
- Imagine your Program's success if every week you increased your sales, customer satisfaction index, or attendance/participation by 1% or decreased your costs proportionately? A goal of one percent lets you take it a little at a time instead of blind leaps of faith into the unknown.

☐ Deliver extraordinary service at every customer interaction, whether face-to-face, on the telephone, or in written communication!

☐ Ensure consistency, consistency, consistency!

- This is critical. If you're not in it for the consistent long haul, get off the boat and let someone else take the helm! Consistency is what it takes to create "Raving Fans", "Fabled Service", "Knock Your Socks Off Service", "Positive Memorable Customer Experiences", and to achieve "*Extraordinary Customer Service*"!
- Consistency is a must--your customers/patrons will watch you like a hawk every time you move the bar up, waiting for you to falter and fail. It takes a lifetime to create life-time customers!
- Once you raise the bar, you shouldn't go back on what you've done, said, or provided, unless you have a better alternative that is just as extraordinary.
- And consistency comes from every staff member knowing what every staff member is doing..., talk to each other every day!

☐ Don't offer anything you can't sustain! In the beginning, limit the number of areas you want to improve, if applicable. Follow improvements with incremental price increases. Never fund a future change with a current price hike!

☐ Build slowly, steadily, and consistently toward your ever changing "vision" of perfect!

Step 15 Ensure every manager, supervisor, and staff member know and frequently discuss your requirements for ethics and integrity in every facet of your Program's operations. (See Handout--Government Ethics and Standards of Conduct included at the end of this task.)

NOTE: To give real service, you must add something that cannot be bought, taught, or measured--that is sincerity, honesty, caring, fairness, and integrity. You and your staff must demonstrate personal integrity, act with principle, and serve society.

Integrity must be a guiding principle of your Program. All your stakeholders know whether or not the Program sincerely pursues the best interests of the customer or is merely looking for a quick buck or to achieve some pointless bureaucratic standard or policy.

Extraordinary service only occurs when you and your staff believe in integrity and that what is good for the customer is also good for the business and vice versa. Sensitive areas involve price gouging; advertising and promotional "schemes"; bait and switch tactics; and making excuses (lying).

Of equal importance are your philosophies and policies toward your staff. Managers who operate with integrity remain focused on the underlying principle of fairness for everyone, at all times.

Too many managers and supervisors lack personal conviction about the very values they want their people to adopt. Over and over we hear walk-the-talk, and yet one leader after another fails public scrutiny as they are tripped up by their various breeches of conduct, failed ethics, and lack of personal integrity.

Integrity can mean many things:

- Consistency--practicing that which you profess.
- Fairness.
- Honesty and decency.
- Delivering/performing as promised.
- Taking an ethical approach to business.
- Not cheating.
- Not stealing.
- Being trustworthy.
- Being whole, sound, and well-mannered.
- Avoiding/ignoring temptations.
- Doing that which is right as well as that which is legal.
- Not doing that which others excuse with "well everybody does it/that".
- Performing/living by the highest levels and standards of conduct.
- Observing the appropriate norms of cultural, professional, personal, business, and military customs, traditions, protocol, and personal and business etiquette.

Ensure you and your staff develop an integrity doctrine
by which you operate and behave.

Step 16 Include critical customer service performance and behavior standards (requirements) in your staff's Position Descriptions (PDs).

☐ See Task 6.13, Prepare/Update Position Descriptions.

☐ Work with your Personnel/Human Resources Office (HRO) to revise the Position Descriptions (PDs) of your NAF/APF employees.

☐ Work with applicable military supervisors/managers to ensure these standards are included in the regular evaluations of your assigned, active duty military staff.

☐ Ensure all volunteers, temps, contractors, vendors, etc., are aware, BEFORE they begin working or providing services, of your customer service performance and behavior standards (requirements). If they are unwilling to perform and behave by these standards, don't hire, use, or contract them--keep looking for "nice people whose parents (or somebody) raised them properly"!

NOTE: Involve everyone in understanding why they are in the business of achieving extraordinary customer service.

Never apologize for demanding the best from your staff--standards have to be absolute.

Customers and employees alike must always know what to expect.

Everyone must remain attuned to the fact that "good enough" NEVER is, and "better" is only acceptable if there is a commitment by everyone to become "best".

When dealing with your customers, no matter how long they have been, you are only as good as your last encounter.

If everyone is held to high customer service standards, no one will be embarrassed by anybody on the team. An expectation of excellence causes everyone to stretch, and the customer is well-served in the process.

Step 17 Advertise, interview, and conduct records/references/background checks to hire for the customer service behaviors, skill, knowledge, capabilities, attitudes and experience appropriate to each of your Program's positions/ jobs.

☐ See Tasks 6.1, 6.2, 6.3.

☐ Work with your Personnel/Human Resources Office (HRO) to ensure they advertise and hire for the appropriate customer service behavioral standards and qualities you "require".

☐ Work with applicable military supervisors/managers to ensure your assigned, active duty military staff members are selected based on the appropriate customer service behavioral standards and qualities you "require".

NOTE: **"Hire nice people whose parents trained them well!"**

-- From Fabled Service by Betsy Sanders,

You simply cannot make "not nice" people want to treat your customers/patrons or each other well! As difficult as it is to define, you have to hire people with the right behaviors and attitude because these cannot be trained, mandated, or motivated into being!

It is not your responsibility, nor will you be able to train and instill into your new hires the following personal characteristics: a positive sense of humor, good judgement, integrity, ethics, appropriate business and personal manners, etiquette, kindness, caring, consideration, empathy, humanity, and similar values and behaviors.

A humorous statement attributed to Paul Dickson sums this up well: "Never try to teach a pig to sing. It wastes your time and it just annoys the pig!"

Hiring the right/best staff requires that you carefully and completely define the skills, knowledge, capabilities, behaviors, and personal characteristics required by each of your Program's jobs/positions.

Step 18 Ensure your vacancy announcements completely describe what you seek in a new employee.

For instance..., "we are looking for people":

- To take care of our customers/patrons.
- To take care of colleagues and staff.
- To lead and to follow.
- To work hard and take pride in their work quality.
- Who are nice and well mannered.
- Willing to learn about our Program's activities, events, products and services.
- Who know how to treat other people with care and respect.
- Who want to succeed and want others to succeed too.
- Who respect themselves and enjoy other people.
- Who would rather work with other people than alone.
- With vision and determination to live their vision.
- Who have imagination and flexibility.
- Who are willing to take charge and solve problems.
- Who are honest, ethical, caring, and dedicated.
- Free of bad habits and unacceptable behavior.
- Who will provide dedicated and extraordinary customer service.

NOTE: Your vacancy announcements/job ads should relate directly and specifically to the position to be filled vice a list of traditional credentials.

If a degree has nothing to do with the job requirements, don't make it one. If a specific certification is appropriate to the job, list it.

If prior experiences are difficult to qualify/quantify and, in fact, may have caused/encouraged bad habits, don't establish it as an arbitrary barrier.

On the other hand, as important as it is to NOT establish extraneous qualifications, it is absolutely essential to search for people who do have the qualifications you need.

Step 19 Ensure customer service training and discussions are included in the indoctrination process for every new staff member.

☐ See Task 6.4, Indoctrinate New Staff Members.

Step 20 Ensure customer service training and discussions are included in every new staff member's Training and in their Individual Development Plan (IDP) / Learning Plan.

☐ See Task 6.5, Train/Develop Staff.

NOTE: Once there is commitment to hiring a person, there must be a corresponding commitment to that person's success!

It is never acceptable to put someone on the job without proper preparation. The customer should never be expected to provide training and the employee should never have to plead ignorance to a customer's inquiry due to insufficient preparation and training.

Step 21 Ensure you, your managers, supervisors and each of your staff members attend initial and on-going customer service training appropriate to their positions/jobs.

This training includes:

☐ World Class Customer Service

NOTE: In addition to these customer service training opportunities, ensure you and your staff members attend the MCCS **Leadership Skills for Managers (LSFM) Course.**

The LSFM course contains customer service related skills in communication, negotiation, stress management, coaching, networking, protocol, problem solving, etc.

Step 22 Ensure *achieving extraordinary customer service* issues, behaviors, and recoveries are regularly included in your staff meeting discussions, in your On-The-Job Training (OJT) sessions, and in applicable coaching/tutoring sessions.

☐ See Tasks 1.7 and 6.5.

☐ Use the World Class Customer Service (WCCS) reminders provided at the end of this Task.

NOTE: Service is first, foremost, and forever a mindset, an attitude, and a commitment. It is not what you do, it is what you are. It is a way of living that you need to bring to everything you do, if you are to bring it to your customer interactions, whether face-to-face, on the telephone, or in writing.

Reinforce this principle firmly in everyone's mind--The customer is the ONLY reason for being in business!

Communicate your commitment to service at every opportunity and through every medium available to you.

Step 23 Discuss customer interactions with your staff at every reasonable and appropriate opportunity.

NOTE: Your folks on the front line--the ones actually talking with your customers--are in the know. They know what's going on, what customers ask for. ***If you have staff members who are so oblivious they don't know or can't describe every customer's needs and desires..., get rid of them!***

One of the things that makes working together so difficult, whether in business or personal relationships, is the need we have to be "right" and to have things "our" way. As long as we have a "position" to hold on to, we cannot come together (communicate effectively). As long as we are unwilling to bend, we will somehow get in the way of achieving extraordinary customer service. So long as we "need" to be right, by definition we must make our internal or external customers "wrong". To correct this problem, we must get clear about what we are doing. Only when we honestly examine our personal motives and intent can we surrender the need to be "right" and begin to communicate effectively and caringly with our customers.

Step 24 Ensure you provide your managers, supervisors and each of your staff members opportunities to participate in locally provided training opportunities on customer service.

☐ Provide customer service training using the following as resources/ references:

- Fabled Service, Betsy Sanders, Jossey-Bass Publishers, San Francisco, CA, 1995.
- Raving Fans, Ken Blanchard and Sheldon Bowles, William Morrow & Co., Inc., New York, NY, 1993.
- Knock Your Socks Off Service (series), Ron Zemke, (et. al.), American Management Association, New York, NY, 1998.
- Handout--Government Ethics and Standards of Conduct. (Provided at the end of this Task.)
- Video, Walk The Talk, Walk The Talk Company, P.O. Box 971259, Dallas, TX 75397-1259 (Available from MRG Training Library).
- Video, The Art of Negotiating, LearnCom, 38 Discovery, Suite 250, Irvine, CA 92618 (Available from MRG Training Library).
- Video, FISH, Charthouse International Learning Corporation, 221 River Ridge Circle, Burnsville, MN 55337 (Available from MRG Training Library).

NOTE: Any of the first three references would make great rewards/ incentives and/or developmental resources for your staff!

Step 25 Ensure each staff member is aware of how he/she will be evaluated during performance reviews with regard to providing extraordinary customer service and accomplishing customer service goals and objectives.

☐ See Task 6.9, Conduct Performance Ratings/Reviews.

☐ Model and then inspect what you expect.

☐ Describe and reward the performance and behaviors you want repeated.

☐ Hold every manager/supervisor accountable to stop, change, or improve the performance and behaviors you do NOT want repeated.

Step 26 Keep your managers, supervisors and staff up-to-date on everything that is going on. Communicate, communicate, communicate!

Explain and discuss any outside influences that could temporarily or permanently affect any of the following:

☐ Program's activities, events, products, or services.

☐ Facilities, grounds, parking, entrances, equipment, vehicles, etc.

☐ Staff hours, benefits, compensation, training, development, scheduling, status, etc.

☐ Rules, regulations, policies, procedures, or practices.

☐ Resources or supplies.

NOTE: Communicate everything you can..., the more your staff knows, the more they'll care, and once they care, there will be no stopping them.

Step 27 Ensure you have effective and appropriate compensation, benefits, rewards, recognition, acknowledgement, and incentives.

☐ See Task 6.10, Reward, Incentivize, and Motivate Staff.

NOTE: There are as many distinct compensation levels/systems as there are businesses. There is no one right way to pay. The keys are consistency, openness, fairness, and the opportunity to share in the success and growth of the Program.

Your staff members need to be compensated for what they are asked to do, at a rate commensurate with their efforts and their results.

Your compensation system, if well designed and properly applied, will pay your managers, supervisors and staff members what they are worth, and the Program will get more than its money's worth.

Pay, while a major element in compensation, is not the only reward available to your staff. Other, sometimes more important performance incentives include:

- **Promotion opportunities**: Good people want the opportunity to grow.
- **Recognition**: Take advantage of every possibility to celebrate successes.
- **Benefits**: Being secure frees people to be successful.
- **Amenities**: Workplace atmosphere denotes the level of respect for the individuals working there.
- **Responsibility**: Being entrusted to do an important job well is a self-fulfilling prophecy.

Step 28 Ensure you and your managers and supervisors use positive methods to monitor your staff's performance and behavior.

☐ See Tasks 4.3, 4.6, 4.7, 4.8, 6.8, 6.10, and 6.14.

☐ Acknowledge, coach, counsel, tutor, mentor, motivate, and incentivize your staff and hold each staff member accountable to appropriate behavior and applicable performance standards.

☐ Acknowledge, coach, reinforce and reward each staff member's extraordinary customer service behaviors.

☐ Share all positive extraordinary customer service successes among your staff.

☐ Share and celebrate stories of each successful recovery that led to a *Positive Memorable Customer Experience (PMCE)*.

NOTE: Ensure you project the right message. Wherever you find a business that is legendary for service quality, you find its leadership sharing a passion for the customer/patron at every opportunity.

Rather than leaving the dissemination of this message to chance, leaders personally communicate it at every opportunity. They also pick everyone's brain in their fanatic quest for service quality perfection.

This is true, irrespective of the industry, personal style, or other circumstances. Nothing lessens the need for the leader to light the way if service is to be brilliant! Constantly communicate your expectations and appreciation.

Your communication can take many forms: visiting, coaching, mentoring, modeling, writing, regular face-to-face casual conversations with staff and customers, telephone calls, and speaking.

Your message must be consistent, heartfelt, personal, and direct. It is meant to convey both, "Please--This is the quality we need to achieve.", and, "Thank you--You are doing great; we couldn't do it without you!"

Step 29 Ensure your managers, supervisors and staff **receive** extraordinary customer service.

Some of your costs for not "TREATING" your staff with extraordinary customer service include:

- Recruitment and hiring costs of new staff members.
- Lost skill, knowledge, abilities, capabilities, and experience.
- Training costs for new staff members which are huge!
- Lost salaries and compensations paid to employees who have left the Program. (You must view salary as an investment, not as a loss!)
- Negative image that accrues to a Program with high turn-over.
- Lowered/poor staff morale.
- Loss of customers/patrons.
- Staff turn-over as a percentage of sales, profit, and budget.
- Word-of-mouth damage.

Step 30 Hold yourself and every member of your staff accountable for assuring your workplace is safe and is free of all discriminatory behavior.

☐ See Task 6.11, 6.14 and 6.15.

Step 31 Ensure your staff has the appropriate equipment, supplies, resale merchandise, and vehicles necessary to accomplish the vision and mission of your Program.

☐ See Duty 7.0, Tasks 7.1 through 7.4.

Step 32 Ensure you have an up-to-date maintenance program that provides quality, functional, clean, safe facilities, equipment, supplies, products, services, and vehicles.

☐ See Duty 8.0, Tasks 8.1 through 8.8.

☐ See Tasks 12.2.

Step 33 Ensure the results of your planning/programming provides activities, events, products, and services that meet your customers'/patrons' preferences, wants, needs, priorities, expectations, and demographics.

☐ See Duty 1.0, Tasks 1.1 through 1.5.

☐ See Tasks 2.1, 3.1, and 3.2.

☐ See Duty 11.0, Tasks 11.1 through 11.5.

Step 34 Conduct periodic planning sessions with your managers, supervisors and staff to develop/update your strategic plans, assess your current competition, and to prepare Short/Long-Term Program Management Plans that align with and/or up-date your Program's vision, mission, guiding principles, and goals and objectives.

☐ See Duty 2.0, Tasks 2.1 through 2.6.

Step 35 Use and encourage your managers, supervisors and staff to regularly use whatever time management and things-to-do systems/techniques that they determine most effective for their responsibilities and personal work methods.

☐ See Tasks 2.5, 4.1, 4.4, 4.5, 6.6 and 12.3.

NOTE: Remember that the MCCS Leadership Skills for Managers (LSFM) course contains training on communication, negotiation, stress management, time management, coaching, networking, protocol, problem solving, etc.

Encourage each of your staff members to attend local training opportunities to further develop his/her skills in using each moment of their precious personal and professional time as positively and effectively as possible.

These local training opportunities may include courses on time management and personal/life skills like the Stephen Covey's 7-Habits work shops.

Step 36 Empower your managers, supervisors, staff, and in particular, your front-line staff.

☐ See Tasks 4.6 and 4.7.

☐ Ensure decision making occurs as close to the customer/patron as possible. If there is a reason why a person who handles the customer/ patron directly cannot make decisions, reexamine the reason--it's probably misguided.

☐ Give your staff the skills, knowledge, practice, experience, ability, authority, and responsibility to really take care of the customers. Your expectations mean everything. When you support your expectations with training and tools, you empower your staff.

NOTE: Your customers/patrons will feel best served when they have to deal with as few people as possible. There are no sweeter words, than, "Don't worry--I'll take care of it!" And there is nothing more frustrating than having to retell a story or repeat a request over and over again.

Ensure your environment is one in which every staff member has respect, responsibility, and opportunity to grow.

People are self-motivated and only need the following:

- To be well prepared for the job.
- To have all unnecessary and demeaning barriers removed.
- To have their achievements and accomplishments acknowledged/recognized.
- To be and feel appreciated, supported, and listened to by their supervisors/managers!

Empowered staff take their responsibility for pleasing customers/ patrons seriously. The secret to empowering your staff is sharing with your appropriate staff, the responsibility, authority, and the resources necessary for success.

Empowering your staff will:

- Turn them on to their own enormous potential.
- Allow them to be their best.
- Encourage them to take reasonable risks.
- Ensure they make sound judgements.
- Permit them to learn from their mistakes and grow.

Step 37 Ensure you have sufficient staff and financial resources to provide the best possible MCCS Program and extraordinary customer service.

☐ See Tasks 6.1, 6.7, 6.12, and 6.16.

☐ See Tasks 5.1, 5.2, 5.3, 5.4, 5.11, and 5.12.

Step 38 Ensure you, your managers, supervisors and staff manage your financial resources and your Program assets following system and local directives, instructions, orders, policies, and SOPs.

☐ See Task 9.4.

☐ See Tasks 5.6, 5.7, 5.8, 5.9, and 5.10.

☐ See Tasks 7.2, 7.3, and 7.4.

☐ See Tasks 8.5, 8.6, and 8.7.

☐ See Tasks 12.4 and 12.6.

Step 39 Ensure your activities, events, products, and services are seen as a value by your customers/patrons.

☐ See Task 3.2.

☐ See Tasks 5.5 and 5.12.

☐ See Tasks 12.1 and 12.5.

Step 40 Manage the daily operations and administration of your Program's activities, events, products, and services.

☐ See Tasks 3.3, 3.4 and 3.5.

☐ See Tasks 9.1, 9.2, and 9.3.

☐ See Tasks 12.3.

Step 41 Prepare and publicly post a written Contingency Plan to ensure customer/ patron service continuity.

☐ See Task 3.5, 8.4, 12.2, 12.3, 12.4 and 12.6.

☐ Distribute the contingency plan to each of your managers, supervisors and key staff members so each knows what action(s) to take during emergencies or when major problems arise.

For example, ensure everyone knows what to do when:

- Foul weather occurs.
- A natural disaster occurs.
- The power fails.
- Equipment fails.
- Computers fail.
- Needed supplies are exhausted.
- A shipment is delayed.
- Health emergencies occur.
- Overcrowded conditions occur.
- Breakdown in delivery systems.
- Phones go out.
- Climate controls/equipment fails.
- Scheduling error/under-staffing occurs.
- Arguments, fights, or other types of workplace violence occurs.

Step 42 Ensure your operational plan/design includes strategies for retaining customers/patrons.

These strategies should/could define:

- A recovery model, methods and procedures. (See Step 43.)
- Required staff behavior with regard to how customers/patrons are treated.
- Frequent buyer programs.
- Frequent referral programs.
- Thank-you cards.
- Telephone recalls/follow-ups.
- Newsletter.
- Personal letters, notes, e-mail, faxes, etc.
- Customer/patron reward/recognition programs.
- Customer/patron special events/offerings.
- Strategic alliances/partnerships.

NOTE: Many of these strategies will require you to maintain a customer/patron database.

Step 43 Design, implement and institutionalize a recovery model and the method/ steps to be employed by every member of your staff whenever a customer/ patron problem occurs, whether face-to-face, on the telephone, or in writing.

For instance:

- Apologize.
- Ask questions too fully understand the complaint/problem.
- Listen effectively and attentively.
- Paraphrase to confirm your understanding of the complaint/problem.
- Handle one complaint at a time.
- Ask what the customer's/patron's needs were at the time of purchase/ service to determine the most appropriate resolution.
- Tell the customer you understand the complaint/problem. Demonstrate your level of understanding with reflective feedback.
- Apologize. (Yes, again!)
- Assure the customer/patron you will resolve the problem. Tell when and how.
- Once resolved, discuss new offers/options.
- Answer customer/patron objections using knowledge of your product's features and benefits.
- Attempt new closure or arrive at an agreement to the sale/situation/ objection, if applicable.

NOTE: Effective recovery is an absolute requirement for delivery of extraordinary customer service.

Effective recovery must be based on credibility, honesty, empathy, understanding, accessibility, and reliability!

If you can't deliver this when problems occur, get out of the business!

Step 44 Get the word out! Ensure you regularly advertise and promote your Programs' activities, events, products, and services.

☐ See Duty 10.0, Tasks 10.1 through 10.11.

Step 45 If you have retail merchandise, ensure you are merchandising effectively and professionally.

☐ See Task 10.10.

> **NOTE:** "If we truly dedicate ourselves to instilling the thrill of merchandising--the thrill of buying and selling something at a profit--into every one of our associate-partners, nothing can ever stop us. That means that you have the merchandise the customer wants, when the customer wants it, and you make it easy to buy it." SAM WALTON.

Step 46 Ensure you and others periodically inspect your Program as a customer/patron, not as a manager.

☐ Examine your Program using the following two checklists:

- The Bad First Impressions List provided on pages 4.2.47 and 4.2.48.
- The Indicators of Extraordinary Customer Service List provided on pages 4.2.49 through 4.2.52.

☐ Ask colleagues from other Programs to use and comment on your Program as a customer/patron, not as a manager. (Include phone calls requesting information.)

☐ Ask your immediate supervisor to use and comment on your Program as a customer/patron, not as a manager. (Include phone calls requesting information.)

☐ Regularly gather input from your customers/patrons about their experience during a particular visit or telephone call.

☐ Make plans to correct any of these elements that are applicable to, but not yet extraordinary in your Program. See Task 1.6.

BAD FIRST IMPRESSIONS LIST

The following is a partial list of things seen through the eyes of MCCS customers/patrons that they say cause bad first impressions.

Are these found at your Program?

Remember--first impressions make lasting impressions and according to some studies; within as little as 5 seconds! How's your image doing?

☐ Dumpsters/trash cans too close to doors/entries.
☐ Trash, cans, bottles, cigarette butts in parking areas, on walks, and/or grounds.
☐ Pot holes in parking areas, on walks, courts, etc.
☐ Weeds and uncut/untrimmed grass.
☐ Dirty, muddy, snow/ice-covered walks and parking areas.
☐ Burned-out lights..., inadequate lighting.
☐ Neglected repairs.
☐ Broken windows.
☐ Peeling/old drab and dirty paint.
☐ Old/out-of-date marquees.
☐ Lack of, ineffective, or unprofessionally prepared signage.
☐ Offensive odors.
☐ Messy rest rooms/lack of supplies.
☐ Dirty carpet/floors.
☐ Dirty lavatories, sinks, showers, etc. (...and no supplies.)
☐ Chewing gum on floors, walks, drives, equipment, etc.
☐ Smoking.
☐ Dirty clothes/hair.
☐ Ignoring and/or not acknowledging customers/patrons.
☐ Negative attitudes/behaviors of staff toward customers/patrons.
☐ Talking with coworkers at the customer's expense.
☐ Talking on the phone at the customer's expense.
☐ Poor handling/resolution of customer/patron complaints/problems.
☐ Swearing, offensive language, dirty/racist/cultural/sexist jokes/slurs, etc.
☐ Staff eating at customer service counters/areas.
☐ Staff using inappropriate greetings like, "Hon", "Honey", "Sweetie", "Darlin'", "Sugar", "Babe", "Dude", "Lady", "Boy", "What?", "Hey!", etc.

BAD FIRST IMPRESSIONS LIST

☐ Rude behavior.

☐ Lack of manners.

☐ Lack of tact/diplomacy.

☐ Desired merchandise out of place, out of stock, or on "back order" (as an excuse).

☐ Help not available when needed.

☐ Staff members who are poorly trained, uninformed, or distracted.

☐ Staff members who are unable (un-empowered) to solve customer/patron complaints/problems.

☐ Bureaucratic processes and red tape.

☐ Waiting: in line, on the phone, for missed promises, anytime!

☐ Misleading advertising.

☐ Value not commensurate with price paid.

☐ Quality that doesn't live up to expectations.

☐ Failure to stand behind products or services.

☐ Retail/resale products poorly displayed.

☐ Retail/resale products improperly priced; or not priced at all.

☐ Items on lists, menus, etc., no longer available/carried. (Rather than items that are just temporarily out of stock.)

☐ "Policy" prevents us....," Without any further explanation of why.

☐ "We can't do that..., we don't have that..., we don't do that!, etc." Without any attempt to provide alternative solutions to a customers'/patrons' needs/requests.

NOTE: You, your managers, supervisors and your staff are all customers somewhere. Conduct a brainstorming session and add to this list, all items that have caused you to have a bad first impression (IMAGE) of a Program.

If any of these added items are a problem at your Program, correct the problem.

INDICATORS OF EXTRAORDINARY CUSTOMER SERVICE LIST

Environmental:

☐ Well-kept grounds and facilities.

☐ Nice atmosphere in clubs/restaurants/facilities.

☐ Good (and consistent) first impression at the front desk/reception areas.

☐ Smoke-free and odor-free recreation and eating environments.

☐ Clean/sanitary facilities at all times...., especially the rest rooms, locker rooms, showers, steam rooms, saunas, changing rooms, lounges, pool area, etc.

☐ Safe and secure facilities and surroundings.

☐ Positive, fun environment.

Pricing/Value Elements:

☐ Reasonable prices and good discounts.

☐ Getting value for money and time spent.

☐ Being able to meet customer/patron needs.

☐ Willingness to go the extra mile.

☐ Delivering as promised. Following through.

☐ An attitude of existing to provide activities, events, products, and services rather than make money and earn a living.

☐ Activities, events, products, and services that provide value, quality, quantity, and appropriate presentation.

INDICATORS OF EXTRAORDINARY CUSTOMER SERVICE LIST

Program Planning/Specific:

☐ Up-to-date equipment that is in good shape.

☐ Availability of desired services.

☐ Equivalent activities, events, products and services, one-base-to-the-next at approximately the same price, value and quality levels.

☐ Up-to-date activities, events, products, services, etc.

☐ Quality of services and equipment.

☐ Activities/events scheduled at times to meet Marine Corps time constraints.

☐ Consistently applied rules, regulations, policy and consistency of policy.

☐ Minimal waiting.

☐ Well run, well organized trips (activities/events) to a wide selection of interesting places.

☐ Teaching/instructional skills/knowledge/capabilities of staff members are appropriate to the interests and skill-levels of the customer/patron.

☐ Safe, affordable, available day care and drop-in services so that families/parents can participate in regularly and special scheduled activities, events..., seasonal shopping, etc. Including referrals and baby-sitting service/references.

☐ Appropriate role-modeling for youth and children.

☐ Effective information processes.

☐ Sensitivity to and meeting the needs of different "groups" with interesting, varied, and effective programming.

INDICATORS OF EXTRAORDINARY CUSTOMER SERVICE LIST

Staff and Management:

☐ Friendliness.

☐ Good attitude exhibited by Program staff members.

☐ Conscientious, caring staff members.

☐ Polite and courteous staff and management.

☐ Warm and sincere greetings..., quick acknowledgment of presence. Smiling. Positive body language and who make sincere eye contact.

☐ Staff members who treat one another as if they were customers.

☐ Empathy.

☐ Good treatment of children and family members as well as the active duty members.

☐ Staff members behaving in a courteous and respectful manner with customers/patrons and with coworkers.

☐ Patience. Staff members who are able to handle difficult people and situations calmly, effectively, efficiently, and professionally. (Violent, belligerent, drug/alcohol-influenced customer/patron, etc.)

☐ Ability to communicate with a customer/patron to find out exactly what he/she really needs/wants.

☐ Staff members who are able to use tact and diplomacy at the appropriate times.

☐ Staff members who can be trusted..., who honor your confidentiality when appropriate.

☐ Apparent pride and commitment of the staff to what they do.

☐ Technical knowledge of MCCS staff members. Well-trained, knowledgeable, experienced staff. Product knowledge.

☐ Knowing their jobs/positions..., and about other MCCS Programs and on-/off- base services/opportunities.

INDICATORS OF EXTRAORDINARY CUSTOMER SERVICE LIST

Staff and Management:

☐ Staff members who are able to answer questions, get answers, and solve problems.

☐ Solving problems.

☐ Providing quick responses.

☐ Flexibility.

☐ Staff and management who are aware of appropriate Marine Corps and government protocol.

☐ Staff and management who demonstrate effective, acceptable, polite, well-mannered, and professional social skills as well as typical business skills/ behaviors.

☐ Being organized... appearing and behaving in a professional manner.

☐ Management that supports its staff and allows its (well-trained) staff to accomplish their job instead of countermanding and embarrassing the staff member.

☐ Staff members who can think on their feet and make decisions rather than having to defer to management and/or stating what they can't do or aren't allowed to do. ("Just give 'em the damn pickle!" [From the Video, I'll Be Back, Media Partners Corporation, Seattle WA, 1994].)

☐ Staff and management who fix, improve and change (positively) things vice those who hide behind policy, rules, regulations, and excuses or who just band-aid the problem.

☐ Good management.

☐ Availability of/access to management.

☐ Proactive leadership/management.

☐ Efficiency.

Step 47 Examine your Program, business or office using cycle of service analysis.

☐ See Task 1.6, Analyze Customer Experiences.

NOTE: The decision to become a Center of Excellence is one that can only be made by top-level management. However, various elements of Task 1.6, Analyze Customer Experiences can be employed, with great utility and payoff, by any manager independent of your department's status as a Center of Excellence.

Step 48 Periodically assess your Program against the applicable Marine Corps-wide MCCS Program Standards.

☐ See Task 2.2, Apply Program Standards and Metrics.

Program Standards have been established for the following core MCCS Programs:

- Auto Skills.
- Category "B" Bowling.
- Fitness.
- Information, Tickets and Tours (ITT).
- Libraries.
- Outdoor Recreation.
- Youth/School Age Care.

Step 49 Ensure all new employee check-in, indoctrination, and new manager turnover activities are accomplished.

☐ Complete all procedures required by the Command and MCCS Program.

☐ See Task 8.1, Accomplish New Manager Turn-Over Activities for a complete checklist and procedures.

Turnover activities include:

- Obtaining letters of authority for change funds, access to inventories, etc.
- Obtaining applicable licenses/certifications. (E.g., food handler, pest control, etc.)
- Reviewing of all equipment, facilities, grounds and supplies necessary to run the Program.
- Providing a list of all on/off-base contacts, professional networks, organizations, vendors, contractors, etc., necessary to accomplish the responsibilities of the job.
- Providing a review of the organization's history, staff and staffing strategies, financial position, programming, products, projects and their status, and the customer base.
- Locating all SOPs, policies and regulations pertaining to the operation.
- Etc…

Step 50 Obtain customer input to determine the right menu mix in your food and beverage operations.

☐ See Task 12.1, Provide Customer Menu and Service Preferences and Task 12.5, Select Bar Stock/Standardize Drink Recipes for methods to obtain customer input into food and beverage selections.

☐ See Duty 1.0, Tasks 1.1 through 1.5 to conduct needs assessments.

Step 51 Ensure that quality, safety, cost-effectiveness and value is present in every aspect of your food and beverage operation.

☐ See Duty 12.0, Tasks 12.2 through 12.6.

- Task 12.2, Ensure Safe Food Handling and Storage.
- Task 12.3, Ensure Efficient Food Production Service.
- Task 12.4, Control Food Costs.
- Task 12.5, Select Bar Stock/Standardize Drink Recipes.
- Task 12.6, Control Beverage Costs.

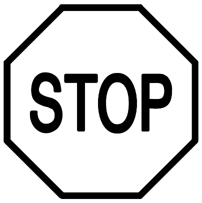
Step 52 Prepare a plan to achieve extraordinary customer service.

☐ Examine your current culture, habits, procedures, policies, practices, methods, traditions, situations, environment, programming, and your activities, events, products, and services, to determine where you are able to improve your customer service based on your team's answers to the Ensure Extraordinary Customer Service Survey.

☐ Work with your managers, supervisors and staff members to draft an improvement plan based on your team's answers to the Ensure Extraordinary Customer Service Survey.

Step 53 Record your management initiatives, decisions, and actions in the appropriate documents.

- Program Goals and Objectives.
- Short/Long-Term (5-Year) Program Management Plan.
- Daily Things-To-Do List.
- Tickler files/database.
- Detailed activity plans.



Congratulations! You've completed this task.

CLOSING: It's hard enough to get authorized customer/patrons to come to your Program.

Poor customer service will send them away and their stories of your failures will take away more than you will ever know.

On the other hand, *achieving extraordinary customer service/World Class Customer Service* will attract and maintain LOYAL customers/patrons who will feel good about your Program and will want to continue being served by, and to speak well of you, your staff, and your Program.

Marine Corps MCCS and QOL are seen by some of its recipients as a form of compensation.

To ally your customers/patrons, it's up to you to deliver "KNOCK YOUR SOCKS OFF" extraordinary customer service at every moment of truth.

Every interaction between you and a customer/patron is a "Moment of Truth"--a point where the customer/patron evaluates your worth.

- They can be satisfied, which is okay.
    - They can be dissatisfied, disgusted, and angry, which is obviously NOT okay.
        - Or they can be dazzled, flabbergasted, blown-away, delighted, amazed, left breathless, shocked, and even *sockless*!

Your choice..., your opportunity--every time!

Good Luck!

REMINDERS

MCCS WORLD CLASS CUSTOMER SERVICE

WORLD CLASS CUSTOMER SERVICE REMINDERS

1. Interest vs. Commitment:
   - When you are interested in something, you do it only when it is convenient.
   - When you are committed to something, you accept no excuses.

2. Positive Beliefs about work (that it should be fun, fulfilling, promote health, help people grow) lead to Positive Actions which lead to Positive Results.

3. How can a comfort zone be expanded?
   - By trying new things.
   - Having new experiences.
   - With positive feedback.

4. What are four things every customer wants?
   - Price.
   - Service.
   - Quality.
   - Appreciation.

5. Why do we lose customers?
   - 1% - Die.
   - 3% - Move away.
   - 5% - Are influenced by friends.
   - 9% - Lured away by competition.
   - 14% - Product Dissatisfaction.
   - 68% - A perceived attitude indifference on the part of some employees.

6. Basic Behaviors of Service Excellence:
   - Look at me.
   - Smile at me.
   - Talk to me.
   - Thank me.

7. 10 Standards of Service:
   - Wow our customers.
   - Anticipate their needs.
   - Communicate clearly.
   - Give World Class treatment to everyone.
   - Listen.
   - Do what it takes--Keep promises.
   - Answer the phone within 3 rings.
   - Always wear your name tag.
   - Thank the Customer.
   - Understand that Customers are the reason for your job.

8. A moment of truth is any instance in which the customer comes in contact with some aspect of your organization and has an opportunity to form an impression about the quality of services you provide.

WORLD CLASS CUSTOMER SERVICE REMINDERS (cont.)

9. How do you manage "Moments of Truth":
   - ➢ Make sure your work area is impressive, not depressive.
   - ➢ Make sure that greetings are prompt and professional.
   - ➢ Make sure that your staff is trained and skilled in problem solving.

10. What are the 7 deadly sins in customer service?
    - ➢ Ignoring customers.
    - ➢ Hiding behind job descriptions by "passing the buck" to another department or individual.
    - ➢ Blaming the customer.
    - ➢ Trying to prove that you are right and the customer is wrong (Arguing).
    - ➢ Talking to and treating all people the same.
    - ➢ Assuming all similar problems have the same solutions.
    - ➢ Not looking at, smiling at, talking to, or thanking the customer.

11. The 3 Types of Communication are:
    - ➢ Verbal - 7%.
    - ➢ Non Verbal - 55%.
    - ➢ Tone - 38%.

12. What are some barriers to listening?
    - ➢ Making assumptions or jumping to conclusions.
    - ➢ Tuning out people with poor delivery.
    - ➢ Thinking of a response before the person is done speaking.
    - ➢ Cultural differences & stereotypes.

13. What are some strategies to improve listening?
    - ➢ Don't daydream.
    - ➢ Listen for purpose and main ideas, plan to report what you hear.
    - ➢ Take notes.

14. What is the difference between Closed & Open questions?
    - ➢ Closed - result in a "yes" or "no" answer.
      Examples: "Do, Can, Could, Should".
    - ➢ Open - result in more useful information.
      Examples: "Who, What, Where, When, How".

15. Body language is the oldest language in the world. Attending behaviors include:
    - ➢ Leaning forward.
    - ➢ Making eye contact.
    - ➢ Giving others their space.
    - ➢ Avoiding fidgeting.

16. Telephone Professionalism includes:
    - ➢ Answering the phone within 3 rings.
    - ➢ Greeting the caller.
    - ➢ Stating your name.
    - ➢ Stating your Activity or Department's name.
    - ➢ Asking "How may I help you?"

WORLD CLASS CUSTOMER SERVICE REMINDERS (cont.)

17. Although 2% of customers are truly difficult, it’s important to remember that 98% are not. Here are 5 classic types of difficult customers and how to handle them:
    - The Bull - be calm, avoid a battle, give them time to vent.
    - The Fox - avoid sarcasm, ask questions.
    - The Time Bomb - be patient, get them to talk.
    - The Whiner - listen closely, get them to state facts.
    - The Stone Wall - ask open ended questions, set time limits, proceed without them, if necessary.

18. There are times when disagreeing diplomatically is necessary. The person who is not on the defensive is the one in control of the situation. The following Phrases may help:
    - “You feel...”
    - “I realize / understand...”
    - “I will / can / think...”

19. There are certain words or phrases that act as a “red flag” to adults and may escalate a conflict. These words should be avoided:
    - “But”.
    - “You”.
    - “Can’t”.
    - “Never”.
    - “Would have, Could have, Should have, Better have”.

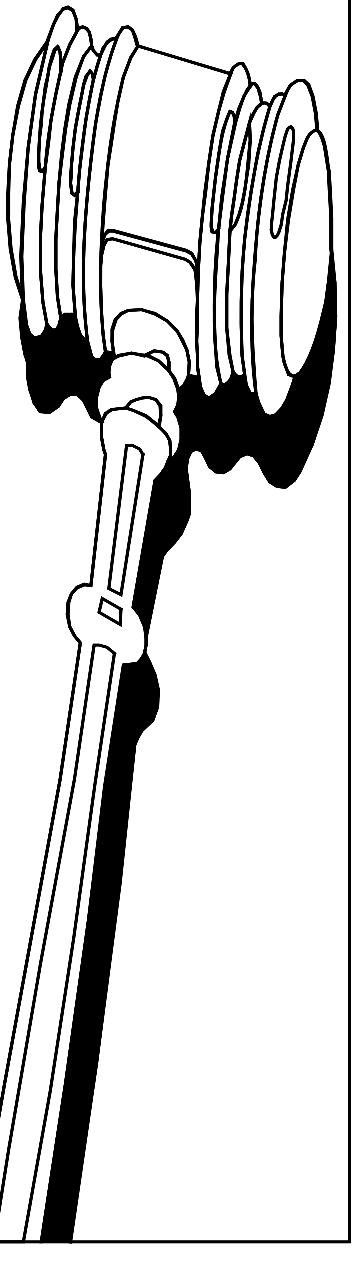
20. The MultiCultural Stages of Awareness:
    - Isolate.
    - Inquiry.
    - Contact.
    - Integration.

21. 2 Things you should remember regarding stress:
    - “Don’t sweat the small stuff’.
    - “It’s all small stuff’.

22. The 4 Stages of Learning:
    - UI - Unconscious Incompetent.
    - CI - Conscious Incompetent.
    - CC - Conscious Competent.
    - UC - Unconscious Competent.

Department of the Navy (DON)

STANDARDS of CONDUCT and GOVERNMENT ETHICS



Application,
Importance,
Intent,
and more...

STANDARDS OF CONDUCT and ETHICAL BEHAVIOR

INTRODUCTION

This handout was prepared to alert you to the importance of behaving and performing professionally and ethically as prescribed by the Department of the Navy regulations.

While explicit, absolute, and continual adherence to all applicable regulations should be your goal, performing within the INTENT of the regulations is the desired achievement.

MWR SYSTEM PROBLEMS

MCCS employees continue to lose their jobs, permanently damage their careers and reputations, suffer personal embarrassment, and sometimes--judicial penalty and/or punishment because they did not know and/or adhere to applicable regulations.

MR believes MCCS employee performance will improve and the number of problems will decrease proportional to each MCCS employee's understanding of, commitment to, and performance in accordance with the Department of the Navy (DON) regulations regarding standards of conduct, government ethics, and fraud, waste, and abuse prevention and reporting.

WHEN IN DOUBT

This handout is only a reminder--It is imperative that you confirm your questions and resolve your doubts/suspicions using the most recent revision of the applicable statutes, regulations, policies, and/or local authorized (SOP)--hereafter called regulations.

Whenever you are UNABLE to confirm your questions or resolve your doubts/suspicions through research of applicable regulations, use your chain of command, the Command ethics counselor, or other designated Command legal representative to obtain your answer, affirmation, direction, or necessary interpretation.

Resolve all problems at the lowest possible level in the chain of command.

WHEN IN DOUBT (cont.)

For additional assistance, remember to contact your MWR Division branch representatives. They can provide accurate guidance on a wide variety of subjects. (E.g., questionable procurement, disposition of NAF property, services contracts, sponsorship, single-source procurement/contracts, same-family hires, dealing with terminated employees as contractors, and much more.)

CONTENTS

This handout provides definitions, fundamental philosophies, and a copy of the Bedrock Standards of Conduct.

REFERENCES

The following references were the basis for this handout.

- DoDI 5500.7 (series), Standards of Conduct Joint Ethics Regulation.
- SECNAVINST 5370.7 (series), DoD/NAVY Hotline Program.
- SECNAVINST 5430.92 (series), Assignment of Responsibilities to Counteract Fraud, Waste, and Abuse Related Improprieties Within the Department of the Navy.

These are references that contain the rules, regulations, policy, guidance and information regarding standards of conduct, government ethics, and fraud, waste, and abuse prevention and reporting that apply to all Navy employees.

The following book was used as a reference for business and personal ethic theory and application.

- The Power of Ethical Management, Blanchard and Peale, William Morrow and Company, New York, NY, 1988.

STANDARDS OF CONDUCT and ETHICAL BEHAVIOR

DODI 5500.7 (series)

DoDI 5500.7 (series), Standards of Conduct Joint Ethics Regulation, prescribes the ethical standards and rules of conduct required of all Department of Navy (DON) personnel, regardless of assignment.

DoDI 5500.7 (series) establishes procedures for the reporting and enforcing of post government service employment restrictions.

RESPONSIBILITY

Responsibility and accountability for ensuring compliance rests upon supervisors, Commanding Officers, and their superiors.

It is the responsibility of every employee covered by DoDI 5500.7 (series) to ensure he/she is completely aware of the rules of standard conduct and ethical behavior specified by the instruction and at all times, behave accordingly.

APPLICABILITY

DoDI 5500.7 (series) applies to all DON civilian officers and employees, active duty military personnel (both regular and reserve), special government employees, personnel of Nonappropriated Fund (NAF) instrumentalities, midshipmen of the Naval Academy, and others as explained in the instruction.

ENFORCEABILITY

Penalties for violations of the ethics standards and rules of conduct prescribed by DoDI 5500.7 (series) include the full range of statutory and regulatory sanctions for civilian and military personnel. A violation of the instruction’s provisions is punishable under the Uniform Code of Military Justice for military personnel and is the basis for disciplinary action with respect to civilian employees.

ENFORCEABILITY (cont.)

Under current DON regulations, employees are encouraged to seek the advice of agency ethics officials--official disciplinary action for violation of regulatory standards will NOT be taken against an employee who relies on such advice.

**WHAT'S THE VALUE?...
WHY CARE?**

Dr. Kenneth Blanchard and Dr. Norman Vincent Peale write in their book, The Power of Ethical Management, "Ethics in business is the single, most urgent problem facing America today."

DEFINITIONS

So that we are reading from the same page, let's use the following definitions:

ACTION -- noun

1. A thing done; a deed.
2. The act, process, or fact of doing something.

BEHAVIOR -- noun

1. Deportment; demeanor.
2. Action, reaction, or function under specified circumstances.

CHOICE -- noun

1. The act of choosing; selection.
2. The power or right to choose.
3. A number or variety from which to choose.

ETHICS -- noun

1. A principle of right or good conduct or a body of such principles.
2. A system of moral principles or values.
3. The rules or standards governing the conduct of the members of a profession.

DEFINITIONS (cont.)

FAIR -- adjective: -er, -est

1. Just; equitable.
2. Consistent with rules; permissible.
3. Unblemished; clean.
4. Favorable; propitious.

HONEST -- adjective

1. Marked by truthfulness and integrity; upright.
2. Not deceptive or fraudulent; genuine.
3. True; not false: honest reporting.
4. Frank and straightforward; sincere.

INTEGRITY -- noun

1. Strict personal honesty and independence.
2. Completeness; unity.
3. Soundness.

JUDGEMENT -- noun

1. The capacity to perceive, discern, or make reasonable decisions.
2. A decision, opinion, or conclusion reached after due consideration, esp. a formal decision of an arbiter.

MORALS -- adjective

1. Of or concerned with the discernment or instruction of what is good and evil.
2. Being or acting in accordance with established standards of good behavior.
3. Arising from conscience.
4. Having psychological rather than tangible effects.
5. Based on likelihood rather than evidence.

MORALS -- noun

1. The principle taught by a story or event.
2. Rules or habits of conduct, esp. sexual conduct.

DEFINITIONS (cont.)

PROBLEM -- noun

1. A question or situation that presents uncertainty, perplexity, or difficulty.
2. A source of trouble or annoyance.
3. A question put forward for consideration or solution.

STANDARDS -- noun

1. An acknowledged basis for comparing or measuring; criterion.
2. A degree or level of requirement, excellence, or attainment.

CONFUSION

Over the past several years, the Marine Corps MCCS business operating environment has been very tumultuous.

Emphasis on “acting more business-like”, BRAC closures, centralized buying, competitive sourcing, intense bottom line focus, admonishment and regulation regarding fiduciary responsibility, changes in the accounting and personnel systems, and many other issues have created an “action” environment.

This action environment has caused some MCCS employees to choose, behave, and/or act in a “Ready-FIRE-Aim” manner at the expense of ethics and conduct standards.

But, it is in this sometimes confusing and paradoxical work environment that you are expected to accomplish your duties ethically and within the standards of conduct.

WHAT’S THE PROBLEM?

As you’ve been reading you may have been wondering, “Yeah, so what’s the problem?... I behave okay!”

The fact of the matter is, Marine Corps MCCS continues to experience too many serious employee problems resulting from unethical performance and behavior, from incorrect interpretation of the regulations, and from non-adherence to the Standards of Conduct.

WHAT'S THE PROBLEM? (cont.)

Two of our definitions provide some insight into these recurring problems. These are: PROBLEMS and CHOICES.

- Problems, questions, and situations that present uncertainty, perplexity, or difficulty arise constantly throughout the day.

- And because of the pressure (real or perceived) to act on these problems, choices (right and wrong) are made by employees every MWR day to solve problems, answer questions, and/or rectify or deal with situations.

So you see, we sometimes make wrong choices that get the job done, but in so doing, we unfortunately cross the ethics boundaries, unnecessarily placing ourselves and our Commands at risk.

WHAT TO DO

So, how do you work in this environment? How do you maintain a bias for action and a passion to deliver successful, low-cost/high value, competitive, products and services that exceed customer expectations while remaining ethically sound? What can you do?

Well for starters:

- Study the listed references--know where the rules can be found!

- Learn the *essence* and the *intent* of the regulations that apply to your behavior and to your decisions. You have to KNOW the rules that apply to you and your job to be able to COMPLY with the rules and to APPLY the intent of the rules. That sounds pretty obvious, and it is... but while obvious, **it isn't easy**. If it were, you wouldn't be reading this handout.

- Practice a ready--**aim**--fire decision process where aim means you know what you're shooting at, and know, in advance, what will be the results of the shot.

WHAT TO DO, (cont.)

- Ensure your knowledge of AIMING tells you when NOT to fire!

- When in doubt about your AIM, don't fire! Whenever in doubt about the application or interpretation of a rule or regulation, look it up, or ask!

  - know who to ask.
  - use the chain of command.
  - trust your conscience and your values.

- Take sufficient time to make decisions; don't rush to action. Check the regulations, ask questions, and examine alternatives... this protects you and the Command.

- Ignore temptation... if it's wrong, it's WRONG!--And rationalizing wrong to right doesn't work either!

- Be brave--call attention to infractions... tell the offender what he/she did and why their behavior and/or their action is unauthorized, unacceptable, or illegal! (Is there a difference? Yes, you can behave with the utmost decorum and professionalism and still do some pretty goofy things or make some very bad decisions!)

- Prepare a Code of Ethics and Standard of Conduct for your work unit... One that states something like this:

  - "Each of our employees is responsible for both the integrity and the consequences of his or her actions."

  - "The highest standards of honesty, integrity, and fairness must be followed by every employee when engaging in any activity concerning the operation, particularly in relationships with customers, competitors, suppliers, the public, and all other MCCS staff members and installation colleagues."

WHAT TO DO, (cont.)

- Remain true to yourself. We believe that people who feel good about themselves have what it takes to withstand outside pressure and to do what is right, rather than what is wrong, although expedient, popular, or lucrative. A strong, personal moral and ethical code in any enterprise, is a major step to success.

- Practice loyalty and honesty every day. Remember, if you have to cheat to win, you need to rethink what you are doing and what you're about.

- Demonstrate the behaviors you expect from your superiors, subordinates, and colleagues--SET THE EXAMPLE!

- Remain alert to the politics of the situation--a little tact goes a long way. Always proving you're dead right isn't in your best interest.

- Discover/invent and then use a sound decision making process... and we just happen to have one to recommend!

CHOICES; HOW TO MAKE THEM

To make the best ethical choice/judgement as a decision maker, you need the following:

- A complete understanding of the situation/problem and the environment.

- A thorough conceptualization of the DoD, DON, MCCS and local rules and regulations that bear on the situation/ problem.

- A commitment to ethical behavior and adherence to the standards of conduct by which to examine the pending decision and/or action... an ethics check as it were.

STANDARDS OF CONDUCT and ETHICAL BEHAVIOR

CHOICES; HOW TO MAKE THEM (cont.)

Ask yourself the following about your pending decision or proposed action:

(1) *Is it legal and is it authorized?* Will I be violating civil law or current DoD, DON, MCCS, and/or local rules and regulations?

(2) *Is it balanced?* Is it fair to all concerned in the short term as well as the long term? Does it promote win-win relationships?

(3) *How will it make me feel about myself?* Will it make me proud? Would I feel good if my decision and/or action was published in the newspaper? Would I feel good if my family knew about it?

(4) *Am I being sensible, political, and tactful?* How can I/we accomplish the outcome of this choice/decision and maintain positive working relationships... (NOT proving I'm right and/or they're wrong.)

BEDROCK STANDARDS OF CONDUCT

On pages 15 and 16 you will find the Bedrock Standards Standards of Conduct from DoDI 5500.7 (series).

Do not base your actions and choices on this copy--always locate and refer to the most current instruction.

As the title implies, these are the fundamental tenets of DoDI 5500.7 (series). The instruction must be studied and applied to daily operations--when in doubt, check it out!

As a reminder, all KEY personnel are required to sign a statement for their Official Personnel File (OPF) that they have read and understand the current Bedrock Standards of Conduct from D0DI 5500.7 (series).

STANDARDS OF CONDUCT and ETHICAL BEHAVIOR

WHAT'S COVERED

The following is a brief alphabetical listing of the types of subject matter covered in the Standards of Conduct and Government Ethics instructions.

Conflicts of Interest.
Definitions.
Enforcement.
Financial and Employment Disclosure.
Fiscal Constraints and Fund Raising.
General Policies/Information.
Gifts and Gratuities.
Hot Lines.
Indebtedness.
Outside Employment.
Outside Interest/Activities.
Political Activities.
Procurement Integrity.
Post-Gov Service Employment.
Purpose and Applicability.
References.
Responsibility and Accountability.
Seeking Other Employment.
Standards of Ethical Conduct.
Teaching, Speaking, Writing.
Training.
Travel and Transportation.
Use of Gov. Position.
Use of Gov. Information.
Use of Gov. Manpower.
Use of Gov. Property.
Use of Gov. Facilities.
Waivers.

FINAL SERMON

If you've read to this point and are thinking to yourself, "This is all well and good, but nice (honest/ethical) guys finish last, and it's a dog-eat-dog world out there, and you don't know what we're faced with, and etc., etc.," then reflect on these clichés:

- Nice (honest/ethical) guys may APPEAR to finish last, but usually they are running in a different and far more important and valuable race!
- Sometimes when the numbers look right, the decision is still WRONG!
- Managing ONLY for profit is like playing tennis with your eyes on the scoreboard, and not on the ball! The score is important, but playing fairly, honestly, ethically, effectively, and efficiently is far more important.

ETHICS

A final thought about ethics... Remember, a great working definition of ethics is the moral judgements (choices) you make when you are certain no one will ever know of your actions.

....AND A FINAL WORD ON YOUR DECISIONS

The following poem by Dale Wimbrow may help you when your decisions are tough and sticking to your real purpose in life is challenged by the confusion of a typical MCCS day.

The Man In The Glass...

When you get what you want in your struggle for self
And the world makes you king for a day.
Just go to a mirror and look at yourself
And see what THAT man has to say.

For it isn’t your father or mother or wife
Whose judgement upon you must pass;
The fellow who’s verdict counts most in your life
Is the one staring back from the glass.

Some people may think you a straight-shootin’ chum
And call you a wonderful guy,
But the man in the glass says you’re only a bum
If you can’t look him straight in the eye.

He’s the fellow to please, never mind the rest,
For he’s with you clear up to the end.
And you’ve passed your most dangerous, difficult test
If the man in the glass is your friend.

You may fool the whole world down the pathway of life
And get pats on your back as you pass,
But your final reward will be heartaches and tears
If you’ve cheated the man in the glass.

BEDROCK STANDARDS OF CONDUCT
From DODI 5500.7 (series)

To maintain the public's confidence in our institutional and individual integrity, all Department of the Navy (DON) personnel SHALL:

1. Avoid any action, whether or not specifically prohibited by the rules of conduct, which might result in, or reasonably be expected to create an appearance of:

    - using public office for private gain.
    - giving preferential treatment to any person or entity.
    - impeding government efficiency or economy.
    - losing complete independence or individual impartiality.
    - making a government decision outside official channels.
    - adversely affecting the confidence of the public in the integrity of the government.

2. Not engage in any activity or acquire or retain any financial or associational interest that conflicts or appears to conflict with the public interest of the United States related to their duties.

3. Not accept gratuities from department of Defense contractors unless specifically authorized by law or regulation.

4. Not use their official positions to improperly influence any person to provide any private benefit.

5. Not use inside information to further a private gain.

6. Not wrongfully use rank, title, or position for commercial purposes.

7. Avoid outside employment or activities incompatible with their duties or which may discredit the Navy.

8. Never take or use government property or services for other than officially approved purposes.

9. Not give gifts to your superiors or accept them from your subordinates when it is not appropriate to do so.

10. Not conduct official business with persons whose participation in the transaction would violate law or regulations.

11. Seek ways to promote efficiency and economy in government operations.

12. Preserve the public's confidence in the Navy and its personnel by exercising public office as a public trust.

13. Put loyalty to the highest moral principles and to country above loyalty to persons, party, or government department.

14. Uphold the Constitution, laws, and regulations of the United States and never be a party to their evasion.

15. Give a full day's labor for a full day's pay, providing earnest effort to the performance of duties.

16. Never discriminate unfairly by the dispensing of special favors or privileges to anyone, whether for remuneration or not, and never accept for himself or herself or for family members, favors or benefits under circumstances which might be construed by reasonable persons as influencing the performance of government duties.

17. Make no private promises of any kind binding upon the duties of office.

18. Not engage in business with the government, whether directly or indirectly, inconsistent with the conscientious performance of governmental duties.

19. Expose corruption wherever discovered.

For further guidance consult/use your chain of command resources and/or Navy Personnel Command, MWR Division.

Ensure Extraordinary Customer Service Survey

AN MCCS PROGRAM DIAGNOSTIC TOOL

Ensure Extraordinary Customer Service Survey

Directions: The customer service questions that follow will examine every aspect of your MCCS Program. You are asked to “react” with your gut-level feeling about each question. You will not need to gather or look at records or data or analyze any of these questions. Simply circle the number that best reflects your **opinion/feeling** about these aspects of your Program.

The “opinion” scale and faces are shown below. Each of your answers will run from a low of (1) “Completely Disagree” to a high of (5), which is “Completely Agree”.

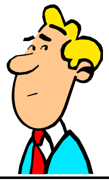
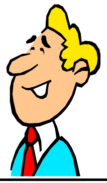
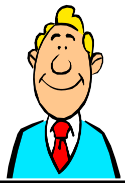
There are no right or wrong answers. Once completed, you and your colleagues will compare and tally your answers so that you can then discuss each aspect of your Program to decide what should be examined and perhaps improved to ensure your Program delivers ***Extraordinary Customer Service***. Do not share your “opinions” while answering this survey--you will compare your answers and thoughts during your Customer Service Improvement meetings. (Shared comments may influence other’s responses.)

Record your immediate reaction..., it’s most apt to be right on target. Don’t score a “merry picture” or record what you think you “should mark”, or what you believe management “wants to hear”. That will be like cheating at Solitaire. Remember: you’re trying to improve your workplace!

Leave blank any item of which you have absolutely NO OPINION or that is NOT applicable to your Program.

It should not take you more than 20 minutes to complete this survey.

Items 1 through 44 parallel Steps 10 through 53 in this Task, Ensure Extraordinary Customer Service. The remaining items 45 through 65 are typical customer service issues you and your colleagues will want to examine/discuss.

1 COMPLETELY DISAGREE	2 MOSTLY DISAGREE	3 NEITHER AGREE OR DISAGREE	4 MOSTLY AGREE	5 COMPLETELY AGREE
				

Ensure Extraordinary Customer Service Survey (disagree ->-> agree)

1. (10)		Our Program activities, events, products, service, and staff performance and behavior is at such an extraordinary level that we do **NOT** lose customers/patrons in the ways indicated in national and typical business statistics.	1	2	3	4	5
2. (11)		We have an up-to-date and effective Customer Service SOP that is designed to guide all of us to achieving extraordinary customer service.	1	2	3	4	5
3.	a.	As a result of proactive research and data gathering, we know what our customers/patrons **currently** want, need, prefer, believe to be priorities, and perceive about our Program.	1	2	3	4	5
(12)	b.	As a result of proactive research and data gathering, we know who our customers/patrons are, and what they expect from me, our staff, and our Program's activities, events, products and services to improve their morale and quality of life.	1	2	3	4	5
4.	a.	We have a written vision and mission statement for our Program.	1	2	3	4	5
(13)	b.	We regularly review and up date our Program's vision and mission statement, at least annually.	1	2	3	4	5
5.		We carefully select and integrate each of our performance and behavior improvement efforts to ensure:					
	a.	The initiative will improve customer service.	1	2	3	4	5
(14)	b.	We can sustain the improvement/initiative once implemented.	1	2	3	4	5
6. (15)		Every manager, supervisor and staff member knows and frequently discuss our requirements for ethics and integrity in every facet of our Program's operations	1	2	3	4	5
7. (16)		Critical customer service performance and behavior standards/ requirements are included in the Program's Position Descriptions (PDs) for each of our managers, supervisors and staff.	1	2	3	4	5
8. (17)		Our vacancy announcements/ads, interviews, and records/references/ and background checks thoroughly examine each skill/knowledge/ capabilities, and work experience appropriate to the vacancy.	1	2	3	4	5
9. (18)		Each of our vacancy announcements completely describes what we seek in a new employee.	1	2	3	4	5
10. (19)		Customer service training and discussions are included in the orientation/indoctrination process for every new staff member.	1	2	3	4	5
11 20)		Customer service training and discussions are included in every new staff member's Individual Training and Development Plan (IDP).	1	2	3	4	5

Ensure Extraordinary Customer Service Survey (disagree ->-> agree)

12. (21)		Each of our managers, supervisors and staff members attend initial and on-going customer service training appropriate to their positions/jobs.	1	2	3	4	5
13.	a.	*Achieving extraordinary customer service* issues, behaviors, and recoveries are regularly included in our staff meeting discussions.	1	2	3	4	5
	b.	*Achieving extraordinary customer service* issues, behaviors, and recoveries are regularly included in our On-The-Job Training (OJT) sessions.	1	2	3	4	5
(22)	c.	*Achieving extraordinary customer service* issues, behaviors, and recoveries are a focus of our managers' and supervisors', coaching/tutoring sessions.	1	2	3	4	5
14. (23)		Our managers and supervisors discuss customer interactions with our staff at every reasonable and appropriate opportunity.	1	2	3	4	5
15. (24)		Our managers, supervisors and staff members are provided opportunities to participate in MCCS and locally provided customer service training.	1	2	3	4	5
16. (25)	a.	Each member of our staff is aware of how he/she will be evaluated during performance reviews with regard to providing extraordinary customer service.	1	2	3	4	5
	b.	Each member of our staff is aware of how he/she will be evaluated during performance reviews with regard to accomplishing his/her customer service goals and objectives.	1	2	3	4	5
17.	a.	Our managers, supervisors and staff members are always kept up-to-date on everything that is going on.	1	2	3	4	5
(26)	b.	We effectively and consistently communicate with one another.	1	2	3	4	5
18.		Each member of our staff enjoys effective and appropriate:					
	a.	Compensation.	1	2	3	4	5
	b.	Benefits.	1	2	3	4	5
(27)	c.	Rewards and incentives.	1	2	3	4	5
19. (28)		Each of our managers and supervisors use positive management and supervisory methods to monitor their immediate staff members' performance and behavior.	1	2	3	4	5

Ensure Extraordinary Customer Service Survey (disagree ->-> agree)

20.	a. Each of our managers, supervisors and staff **receive** extraordinary customer service from his/her direct reports.	1	2	3	4	5
(29)	b. Each of our managers, supervisors and staff **receive** extraordinary customer service from his/her immediate manager/supervisor.	1	2	3	4	5
21. (30)	I hold myself and every member of my staff accountable for assuring our workplace is safe and free of discriminatory behavior.	1	2	3	4	5
22. (31)	We have the appropriate equipment, supplies, resale merchandise, and vehicles necessary to accomplish the vision and mission of our Program.	1	2	3	4	5
23. (32)	We have an up-to-date maintenance program that provides quality, functional, clean, safe facilities, equipment, supplies, products, services, and vehicles.	1	2	3	4	5
24. (33)	The results of our planning/programming provides activities, events, products, and services that meet our customers'/patrons' preferences, wants, needs, priorities and expectations.	1	2	3	4	5
25.	We conduct periodic planning sessions to:					
	a. Develop/update our strategic plans.	1	2	3	4	5
	b. Assess our current competition.	1	2	3	4	5
	c. Prepare Short/Long-Term Program Management Plans.	1	2	3	4	5
(34)	d. These planning and assessment activities align with and/or help up date our Program's vision, mission, guiding principles, and our Program and personal goals and objectives.	1	2	3	4	5
26. (35)	We all use personally selected time management and things-to-do systems/techniques that are effective and applicable to our positions/ jobs, responsibilities, and personal work methods.	1	2	3	4	5
27. (36)	We empower our managers, supervisors and staff, and in particular, our front-line staff.	1	2	3	4	5
28.	a. We have sufficient staff to provide the best possible MCCS Program and extraordinary customer service.	1	2	3	4	5
(37)	b. We have sufficient financial resources to provide the best possible MCCS Program and extraordinary customer service.	1	2	3	4	5

	Ensure Extraordinary Customer Service Survey	(disagree ->-> agree)				
29. (38)	Our managers, supervisors and staff manage and protect our financial resources and Program assets by following all applicable system and local directives, instructions, orders, policies, and SOPs.	1	2	3	4	5
30. (39)	Our activities, events, products, and services are perceived as a VALUE by our customers/patrons.	1	2	3	4	5
31. (40)	Our managers, supervisors and staff effectively supervise and manage the daily operations and administration of our Program's activities, events, products, and services.	1	2	3	4	5
32.	a. Each member of our staff has a copy of our publicly posted contingency plans.	1	2	3	4	5
(41)	b. Our contingency plans are up-to-date.	1	2	3	4	5
33. (42)	Our operational plan/design includes strategies for RETAINING customers/patrons.	1	2	3	4	5
34. (43)	Each member of our staff properly and effectively applies our specialized recovery steps every time a customer/patron problem occurs.	1	2	3	4	5
35. (44)	We regularly and effectively advertise our Programs' activities, events, products, and services.	1	2	3	4	5
36. (45)	We employ up-to-date, effective, and professional merchandising procedures.	1	2	3	4	5
37.	a. We regularly and effectively evaluate our Program from a customer/patron point of view.	1	2	3	4	5
	b. We have outside representatives regularly evaluate our Program from a customer/patron point of view.	1	2	3	4	5
	c. All aspects and areas of our MCCS Program are designed and maintained to ensure our customer/patrons form positive first impressions--every visit.	1	2	3	4	5
(46)	d. Regular inspections of our Program result in high marks for achieving good customer service.	1	2	3	4	5

Ensure Extraordinary Customer Service Survey	(disagree ->-> agree)					
38. (47)	We periodically examine our Program, business office using customer service analysis. We are always looking for ways to improve and enhance our activities, events, products and services.	1	2	3	4	5
39. (48)	We periodically assess our Cat A and Cat B MCCS Programs against applicable Marine Corps-wide MCCS standards.	1	2	3	4	5
40. (49)	A comprehensive turnover of duties and responsibilities is conducted whenever a new supervisor or manager is hired, transferred or detailed to a position.	1	2	3	4	5
41. (50)	The menu selections at our food and beverage outlets always offer selections based on documented customer preferences.	1	2	3	4	5
42. (51)	Food and beverage products are delivered to the customer when they want them, prepared how they expect them, and in a manner that consistently ensures an optimum blend of efficiency and quality.	1	2	3	4	5
43. (52)	We have a plan to achieve extraordinary customer service.	1	2	3	4	5
44. (53)	Our management initiatives, decisions and actions are recorded in the planning documents appropriate to our Program.	1	2	3	4	5
45.	Each member of our staff is very clear about who his/her internal and external customers are.	1	2	3	4	5
46.	Our marketing, promotion, and advertising clearly “sells” our Program’s value to its customers/patrons.	1	2	3	4	5
47.	There are NO barriers that keep us from delivering extraordinary customer service.	1	2	3	4	5
48.	Our staff and MCCS Program could honestly be described as:					
	a. customer-focused.	1	2	3	4	5
	b. world-class.	1	2	3	4	5

Ensure Extraordinary Customer Service Survey	(disagree ->-> agree)				
49. All of our managers, supervisors and staff:					
a. Have a genuine interest in all customers/patrons as people.	1	2	3	4	5
b. Have complete knowledge of their jobs, services, products, procedures, rules, regulations, fees, prices, charges, availability, and the relationships within and outside their areas of responsibility.	1	2	3	4	5
c. Have a genuine interest and concern in the customer's/patron's problems.	1	2	3	4	5
d. Understand the customer's/patron's wants and needs.	1	2	3	4	5
e. Are effective listeners?	1	2	3	4	5
f. Are always willing to help meet our customer's/patron's needs.	1	2	3	4	5
g. Are able and AUTHORIZED to solve customer/patron problems.	1	2	3	4	5
h. Are flexible in meeting customer's/patron's needs/requests and solving problems.	1	2	3	4	5
i. Are accessible and approachable.	1	2	3	4	5

Ensure Extraordinary Customer Service Survey	(disagree ->-> agree)				
50. All of our managers, supervisors and staff members:					
a. Have the ability to answer customer/patron inquires and/or to get answers when unable to immediately answer a question.	1	2	3	4	5
b. Do the right things, at the right time, the first time out.	1	2	3	4	5
c. Recognize, apologize, and correct their mistakes as soon as possible/practical.	1	2	3	4	5
d. Make up for mistakes to extent beyond customer/patron expectations.	1	2	3	4	5
e. Accept responsibility for their behavior, actions, performance, and decisions.	1	2	3	4	5
f. Attempt to meet/exceed time lines/promises.	1	2	3	4	5
g. Keep our customers/patrons informed.	1	2	3	4	5
h. Provide extraordinary customer service.	1	2	3	4	5
51. Our work schedules are prepared in the best interest of the greatest number of customers/patrons, vice the best interest of the staff.	1	2	3	4	5
52. Our staff communication systems, both within and outside our Program are the most effective, efficient, and comprehensive possible.	1	2	3	4	5
53. Our managers, supervisors and staff members:					
a. Have the quantity and quality tools, equipment, supplies, resale merchandise, and vehicles necessary to provide extraordinary customer service.	1	2	3	4	5
b. Respect one another.	1	2	3	4	5
c. Receive support from Management in enforcing rules/policy when necessary.	1	2	3	4	5
d. Have loyalty from their superiors (including the Command).	1	2	3	4	5
e. Strive to cooperate with one another and compliment one another’s strengths and weaknesses.	1	2	3	4	5

Ensure Extraordinary Customer Service Survey	(disagree ->-> agree)				
54. We have an institutionalized, effective incentive, motivation, and recognition program.	1	2	3	4	5
55. Our managers, supervisors and staff members:					
a. Apply system and local policies uniformly and fairly to all customers/patrons.	1	2	3	4	5
b. Listen to understand one another and our customers/patrons.	1	2	3	4	5
c. Strive to improve our morale.	1	2	3	4	5
d. Meet frequently to share successes, failures, general information, and to problem-solve.	1	2	3	4	5
56. Our managers, supervisors and staff members are aware of all emergency procedures relative to their positions/job and responsibilities.	1	2	3	4	5
57. Our managers, supervisors and staff members maintain the facilities, equipment, and vehicles in a manner that ensures extraordinary customer satisfaction.	1	2	3	4	5
58. Our managers and supervisors advocate staff training and ensure time is available for staff members to receive training and professional development from knowledgeable trainers/instructors.	1	2	3	4	5
59. Each member of our staff respectfully communicates by talking WITH his/her colleagues, supervisors and managers as opposed to talking “to” or “at” them.	1	2	3	4	5
60. Every member of our staff presents a clean, neat, well-groomed, and properly attired image.	1	2	3	4	5
61. Every member of our staff presents an informed, helpful, willing, articulate, good natured, pleasant, caring, friendly, and well mannered image.	1	2	3	4	5
62. Every member of our staff sees and treats their managers, supervisors and one another as Number 1?	1	2	3	4	5

Ensure Extraordinary Customer Service Survey	(disagree ->-> agree)				
63. Every member of our staff has fun and enjoys work.	1	2	3	4	5
64. Every member of our staff thinks of themselves as service representatives for the Program, the MCCS Program, the Command, and the Marine Corps.	1	2	3	4	5
65. Every member of our staff respects our customers/patrons.	1	2	3	4	5
66.	1	2	3	4	5
67.	1	2	3	4	5
67.	1	2	3	4	5
69.	1	2	3	4	5
70.	1	2	3	4	5
71.	1	2	3	4	5
72.	1	2	3	4	5
73.	1	2	3	4	5
74.	1	2	3	4	5
75.	1	2	3	4	5

MCCS MANAGERS' DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.3

Solve Performance Problems

DO THIS TASK WHEN

- You have staff (performance/behavior) problems.
- You need to reduce or close the gap (difference) between *current* work or staff performance/behavior and *desired* performance/behavior.
- Determining why the performance/behavior of one (or more) of your staff isn't meeting your expectations or established performance standards.
- Solving a problem is applicable to your daily management/supervisory responsibilities, to include:
    - Opening activities.
    - Peak-times.
    - Walk-through/spot-check inspections.
    - Daily staff coaching, counseling, tutoring, mentoring.
    - Closing activities.
- Determining what action to take to *improve/change* performance/behavior or otherwise resolve work/staff problems.

REFERENCES

- First, Break All The Rules: What The World's Greatest Managers Do Differently, Marcus Buckingham and Curt Coffman, Simon & Schuster, New York, NY, 1999.
- Figuring Things Out, Ron Zemke and Thomas Kramlinger, Addison-Wesley Publishing Co., Menlo Park, CA, 1982.

REFERENCES (cont.)

- The Art of Problem Solving: Accompanied by Ackoff's Fables, Russell L. Ackoff, John Wiley and Sons, Publishers, New York, NY, 1987.
- Making Effective Decisions, David F. Folino, Velocity Business Publishing, Bristol, VT, 1997.
- MCO P5300.9D Marine Corps Non-Appropriated Fund Personnel Policy Manual.
- MCO P1700.27 MCCS Policy Manual.
- Management books published by Tom Peters, Peter Drucker, Paul Hersey, Kenneth Blanchard, and others.

SUPPLIES/ RESOURCES

- A recording tool/device such as a daily planner, notebook, an electronic Personal Data Assistant (PDA), or a tape recorder to record your observations of actual performance, your perceptions, and your customer's/ patron's comments, etc.
- Your local standard operating procedures (SOPs).
- Labor Union contract information, if any.
- Your Program's and the department's vision, mission, goals & objectives, and guiding principles.
- Your things-to-do lists, goals and objectives, and your staff's goals and objectives.
- Solve Problems Worksheets.
- Typical office supplies and equipment.

THIS TASK IS DONE CORRECTLY WHEN

- You are able to recognize problem symptoms and identify (figure out) the true cause(s) of a problem.
- You can describe both *current* performance/behavior and *desired* performance/behavior.
- You can define the gap (difference) between current performance/behavior and desired performance/behavior.
- Problems which can **NOT** be resolved by training, are identified and solved by one or more appropriate non-training solutions/interventions (management actions).
- Problems that can be resolved by training are identified, selected for one or more appropriate training interventions, and resolved.
- You've maximized use of job/performance aids to standardize, clarify, and direct desired performance/behavior wherever and whenever appropriate/applicable.

NOTES

Problem solving is one of the most significant skills for any manager/supervisor.

As a manager/supervisor, you are expected to make decisions and solve problems to keep your customers/patrons satisfied and your staff happy. You are also expected to help your staff perform and behave at optimum levels.

In this Task, you find a simple, effective model to identify and solve performance/behavior problems.

Several textbook definitions of the word "problem" include:

- A question raised for consideration.
- An intricate, unsettled question.
- A source of perplexity or vexation.

NOTES (cont.)

For this Task we will visualize problems as the "gap" (difference) between what *currently* exists and what is *desired* or should exist. *A "gap" exists between now and the future*.

An effective problem solving sequence includes:

1. Recognize problem indicators/symptoms.
2. Describe both *current* and *desired* performance/ behavior.
3. Define the gap between *current* and *desired* performance/behavior.
4. Identify the true cause(s). (Answer the question, "Why does this "gap" [difference] exist?")
5. Hypothesize/propose one or more solutions.
6. Specify a plan of action and milestones (POA&M).
7. Anticipate obstacles and opposition to the solution(s).
8. Obtain input/buy-in to the solution(s).
9. Implement proposed solution(s).
10. Monitor progress of the solution(s).
11. Assess the degree of change/improvement, if any.
12. Adjust the solution, if necessary.
13. Document results.
14. Recognize and reward improved performance.
15. Monitor for continued correct performance.

NOTES (cont.)

Why should I worry about this?

The primary purpose for your Program, business or office is to produce accomplishments that are relevant, useful, and valuable to its eligible customers/patrons. These *relevant, useful* and *valuable* activities, events, products, and/or services ONLY result when your staff accomplishes their tasks correctly, and at the right time.

To accomplish their tasks correctly, and at the right time, all four of the following Four Domains of Performance and behavior *must* be present and in sync:

- **Domain 1 - Environmental issues, situations, and conditions.** The environment must be effective, efficient, professional, and suitable for correct task performance.

  The physical space, physical arrangement, accessibility, appearance, equipment, supplies, machinery, time, rules, organization, regulations, policies, safety measures, cleanliness, lighting, sound, signage, temperature, staff/ supplier cooperation and coordination, etc., must all be in place, appropriate, and ready to ***enable*** your staff to accomplish their tasks correctly and at the right time.

- **Domain 2 - Incentive, Motivation and Accountability.** In addition to an appropriate environment, you must have in place, systems and practices that both incentivize and motivate your staff and that also hold them accountable for their performance and behavior.

  Incentive, motivation and accountability systems and practices include, but are not limited, to the following:

  - Staff members are rewarded, not punished, for doing the right things at the right times.
  - Staff members receive appropriate and just-in-time praise, reward, reinforcement, coaching, counseling, tutoring, and mentoring to sustain and to help improve their performance and their career.

NOTES (cont.)

- Staff members are held accountable to change their inappropriate behavior or incorrect performance.

- Staff members are not ignored. Their value and contributions are consistently and fairly acknowledged.

- **Domain 3 - Skill, Knowledge, Ability, Attitude, and Behavior.** With an appropriate environment and effective incentives, motivation, and accountability in place, each staff member must be able to achieve appropriate work outcomes. Therefore, each staff member must know what to do, how to do it, when to do it, where to do it, how well to do it, whom to do it to/with/for, and why it's done. Plus, each staff member must possess the physical ability, mental capacity, personal characteristics, and applicable attitudes necessary to accomplish his tasks and responsibilities.

- **Domain 4 - Individual choice (free will) and Talent.** And finally, each staff member must have the basic talents necessary to accomplish his assigned responsibilities. And each staff member must choose to perform to standards. This means each member of your staff must be both able and willing to continually demonstrate commitment to excellence. Each member's emotional state must be such that he is able to perform correctly at the right time. Many behaviorists and business psychologists believe this *variable* (Domain 4) to be a major contributor to the *unpredictability* in staff performance. Factors can include: dependency issues, relationship problems, family situations, chronic pain/illness, indebtedness, unresolved anger issues and frustration, perceptions of unfair treatment at work, or a significant mismatch between the performer's core talents and the requirements of the job.

For additional information, see the enclosure titled, Understanding and Using the Four Domains of Performance located at the end of this task.

NOTES (cont.)

Training, the most frequently used performance and behavior improvement solution, can ONLY help close the gap between current performance/behavior and the desired performance/behavior when the gap is due to insufficient or incorrect skill and/or knowledge.

Training will not solve problems arising from:

- Unsatisfactory environmental issues, situations, or conditions. **(Domain 1.)**
- Ineffective/non-existent incentives, motivation and accountability practices. **(Domain 2.)**
- Unacceptable/inappropriate staff member choices or lack of applicable/relative talent(s). **(Domain 4.)**

As a manager/supervisor, you will have problems. But wait, all is not hopeless! This Task provides an effective and useful problem-solving model.

The Essential Management Competencies (EMC) desk reference provides a Task identical to this one, except it focuses on making decisions. EMC Task 2.2, Make Effective Decisions says that making good decisions, early and with forethought and care eliminates problems and reduces the need to make additional, different, and/or corrective decisions down the line.

Task 1.4, Analyze Data/Draft Needs List (Conduct R.A.W. Tests) gives you directions to *confirm* your proposed actions and/or decisions.

Task 1.5, Prioritize Needs/Preferences gives you directions to *prioritize* your proposed actions, solutions, and/or decisions.

THE CULPRITS

Research into human and industrial performance repeatedly demonstrate that the two main causes of work problems (and probably all problems) are:

1. The performer is not clear on the standards of performance because:

- They don't know why they should do it.
- They don't know how to do it.
- They don't know what they are supposed to do.
- They think your way won't work.
- They think their way is better.
- They think something else is more important.
- There is no positive consequence to them for doing it.
- They think they are doing it.
- They are rewarded for not doing it.
- They are punished for doing what they are supposed to do.
- They anticipate a negative consequence for doing it.
- There is no negative consequence to them for poor performance.
- There are obstacles beyond their control.
- Their personal limitations prevent them from performing.
- Personal problems prevent them from performing.
- No one could do it.

The performer MUST know all applicable performance expectations, requirements, and standards.

- AND -

THE CULPRITS (cont.)

2. The performer does NOT receive feedback from his immediate manager/supervisor or his automated system(s). (POS systems, etc.)

To be useful to the performer and to increase the probability of sustained superior performance, a manager's/ supervisor's feedback must be:

- Regular and timely.
- Focused on the performance and/or behavior.
- Clear and specific--tells performer what he is doing, when, where, how well, etc., and reinforces/rewards or provides additional direction/guidance.
- Useful to, and valued by the performer.

CHALLENGE

Therefore, your challenges as a manager/supervisor are to ensure:

1. Each staff member is clear on all applicable performance expectations, requirements and standards.

2. You regularly and routinely observe each staff member's performance and provide effective coaching, counseling, tutoring, and mentoring. (See Task 4.8, Coach, Counsel, Tutor, and Mentor.)

You and your team must, at a minimum, accomplish the following:

1. Keep the customers/patrons well-served and satisfied!
2. Keep the place clean and properly equipped!
3. Have fun!

If you accomplish these three "Rockinsonisms",
the rest probably takes care of itself.

(Quote and credo attributed to Dave Rockinson, Mid-Atlantic Region.)

PROCEDURE

Step 1 As you work through each day, be on the lookout for problem indicators/ symptoms--there are like, maybe a zillion!

☐ Customers/patrons not satisfied.
☐ Facility and equipment not clean.
☐ Staff (and customers/patrons) not having fun.

Dave R's "big three"

NOTE: Solving the first three problem indicators (symptoms) is key to Program, business or office success!

Assume no order/importance in the following list of typical problem indicators/symptoms.

☐ Staff unable to answer customer/patron questions.
☐ Staff lacks direction, purpose, and/or commitment.
☐ Staff unwilling to take responsibility for errors.
☐ Staff members argue incessantly over trivial items/issues.
☐ Staff members arrive late, leave early, and abuse breaks.
☐ Staff members abuse sick leave and annual leave.
☐ Staff members start/perpetuate rumors.
☐ Staff/customers violate rules, regulations, or policy.
☐ Program standards are not met.
☐ Position Descriptions are not in sync with Program needs.
☐ Program activities and events are not fun, interesting, or up-to-date.
☐ Program activities and events are poorly executed/provided.
☐ You are suddenly short on revenue and long on commitments.
☐ Your financial statement figures are not what they should be.
☐ Facility is not consistently opened per posted hours of operations.
☐ Facility and/or equipment is not up-to-date/modern.
☐ Equipment is broken.
☐ Supplies/inventory are out of stock or don't arrive on time.
☐ Inventory discrepancies recur too often.
☐ Procurement procedures are improper/ineffective.
☐ Secure areas are frequently left unlocked.
☐ Change fund shortages recur too often.
☐ Product shrinkage levels are unacceptable.
☐ You have bad checks and/or uncollectable debt.
☐ You have inadequate controls or controls are ignored.
☐ Paperwork is not completed correctly and/or on time.
☐ You note frequent accounting or detail errors.

Etc., etc., etc.

Step 2 Decide how many Steps in this Task to apply to your observed performance problems or problem indicators (symptoms).

IF:	**THEN**:
You are certain you know what constitutes correct performance. (You absolutely know what the problem is and how to fix it.)	1. Don't over analyze performance problems or problem indicators (symptoms). 2. Stop the performance. 3. Tell the staff member why he must stop. 4. Explain what you've observed. 5. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 6. If applicable, provide alternative guidance. 7. Go to Step 19.
You are **NOT** exactly sure what constitutes correct performance.	Continue with the Step 3.

NOTE: This Step recognizes your professional expertise and experience and allows you to avoid "analysis-paralysis". If you were to run every problem solution and every decision through the models presented in this desk reference set, you probably wouldn't accomplish anything..., or at least anything important and of value.

As you work through each day, you are confronted with situations you can resolve with simple coaching (suggestions, clarification, and reinforcement), counseling (directions, corrections, and/or admonishments), tutoring (answers and on-the-job training), and mentoring (advanced staff development/professional guidance). Whenever you are able to solve obvious problems, you should do so--that's your job.

But, be cautious about "shooting from the hip" every time you encounter a problem indicator (symptom). Too often we apply the wrong (tried and true) answer/solution to a problem because we do not clearly understand the problem. To a child with a new hammer, just about everything looks like a nail.

When you are not sure; when the consequence or cost of unacceptable performance is high; when performance is unlawful, illegal, or contrary to system or local policy; or the performance is risky/dangerous, stop the performance. Then follow the Steps in this Task to arrive at the most efficient, effective and appropriate solution.

Step 3 Decide how quickly you must take action when you see a performance problem or problem indicator (symptom).

IF:	AND:	THEN:
The outcome of performance will be risky, illegal, dangerous, costly, or not in accord with applicable performance expectations, requirements, and standards.	You know the safe, legal, or more cost effective course of action, and/or the applicable performance expectations, requirements, and standards.	1. Stop the performance. 2. Tell the person why he must stop. 3. Explain what you've observed. 4. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 5. If applicable, provide alternative guidance. 6. Go to Step 19.
	You **DON'T** know the safe, legal, or cost effective course of action, or the applicable performance expectations, requirements, and standards.	1. Stop the performance. 2. Tell the person why he must stop. 3. Explain what you've observed. 4. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 5. Ask him to take no further action until you can clarify the situation and provide guidance. 6. Get help/clarification so you know the safe, legal, cost effective, or correct course of action. (Review/use Steps 4-18.) 7. Provide feedback and direction as quickly as possible. 8. Review/use Steps 4-18.
If the outcome of unsatisfactory performance is of little consequence.	You know exactly what will improve the situation.	1. Stop the performance. 2. Explain what you've observed. 3. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 4. Provide appropriate coaching. 5. Go to Step 19.
	You're **NOT** sure exactly what the problem is or what needs to change/be done differently.	Continue with the Step 4.

Step 4 Write down the performance problem indicators (symptoms) you observe.

☐ Record enough of what you observe so you can recall what you saw as you plan an appropriate performance/behavior improvement course of action.

☐ Record this information in your daily planner, a notebook, your personal data assistant (PDA), a tape recorder, etc.

NOTE: It's a good practice to record your daily observations even when you instantly intervene in a performance/behavior problem with appropriate coaching, counseling, or tutoring.

You will be able to use this recorded information for future reference, whether used positively or negatively. (See Task 4.8, Coach, Counsel, Tutor, and Mentor.)

Duty 6.0, Manage Staff, provides detailed guidance in the following tasks.

6.1 Develop/Maintain a Staffing Strategy.
6.2 Initiate Personnel Actions (SF-52's).
6.3 Announce/Fill NAF Position Vacancies.
6.4 Indoctrinate New Staff Members.
6.5 Train/Develop Staff.
6.6 Set Staff Goals/Objectives.
6.7 Prepare Work Schedules.
6.8 Monitor and Improve Staff Performance.
6.9 Conduct Performance Reviews.
6.10 Reward, Incentivize, and Motivate Staff.
6.11 Ensure Workplace is Free of Harassment and Discrimination.
6.12 Facilitate Business-Based Actions (BBAs).
6.13 Prepare/Update Position Descriptions.
6.14 Discipline Staff.
6.15 Indoctrinate Staff on Workplace Violence and Gang Activity.
6.16 Respond to Staff Accidents, Injuries, or Illnesses.

Step 5 Make copies of the Solve Performance Problems Worksheet provided at the end of this Task.

NOTE: You will use this form to accomplish Steps 6 through 15. See example on pages 4.3.25 - 4.3.32.

Step 6 Write a description of the current actual performance or behavior.

☐ Record your problem description on the Solve Performance Problems Worksheet in the blank lines following item 1 on the form. *(Use the reverse of the form if you need more room.)*

- The first thing to do is determine exactly what is the performance/ behavior problem. A little up-front investigation/analysis ensures:
  - You don't fix the wrong problem.
  - You don't use the wrong solution.
  - You get things corrected as soon as possible for the least aggravation and cost.
- Keep investigating until you discover enough to write an accurate and complete description of the actual problem rather than the indicators/symptoms of the problem.

Ensure your problem description includes:

☐ WHO has the problem? (Use job title or name.)

☐ WHAT is being done/not done that creates the problem?

☐ WHEN the performance/behavior problem occurs.

☐ WHERE the performance/behavior problem happens?

Ensure your problem description does NOT include:

☐ WHY the problem happened. (It's too soon for that.)

☐ HOW the problem can be solved. (Ditto.)

See examples of both well and poorly written problem descriptions on the next page.

Examples of well-stated problem descriptions:

- The bowling center night manager does not check behind her staff to ensure all their work has been done completely and correctly.
- The assistant manager is always late turning in the work schedule for the pro shop staff.
- The storekeeper leaves the storeroom unlocked when not in the area during his meal breaks.
- The rec. aide does not always ask for ID cards to ensure customer/ patron authorization/eligibility to use the facility.

These statements describe **ACTUAL** performance and describe who, what, when, and where which is what is needed to write a "well-stated, observable, measurable problem description".

Examples of poorly-stated problem descriptions:

- The bowling center night manager isn't doing her job correctly. She doesn't know or thoroughly understand and appreciate the scope of her responsibilities or the importance of her job! *(How in the %&^# do you recognize, assess, measure, and evaluate, "knowing", "appreciating", "understanding", or "correctness"?)*
- The assistant manager needs time-management training. *(Again, you just want a well-stated problem description right now--this seems to be a solution.)*
- Replace storeroom pad locks with automatic door-closures and automatic locks. *(You want a well-stated problem description right now--this is a solution.)*
- The rec. aide has a lousy attitude. *(Does not describe what problem, with or to whom, where, or when.)*

These statements describe **ACTUAL** performance, but are missing one or more details that explain who, what, when, and where. Or they include "why" or a "solution".

Step 7 Write a description of the desired performance or behavior.

☐ Use the prompts in the box in item 1 of the Solve Performance Problems Worksheet. *(Use the reverse of the form if you need more room.)*

☐ Ensure your description of "desired" performance includes:

- **What** the performer is to do.
- **When** the performer is to do what he/she is supposed to do.
- **How well** the performer is to do what he/she is supposed to do.

Step 8 Continuing with item 2 on the Solve Performance Problems Worksheet, analyze/examine why there is a "gap" (difference) between *current* performance/behavior and *desired* performance/behavior.

☐ Answer the following three questions in the left hand column of the table in item 2 on the Solve Performance Problems Worksheet.

- What do you think they don't know about desired performance/ behavior?
- Why do you think they don't want to perform/behave as desired?
- What do you believe prevents them from performing/behaving as desired?

☐ Record, in the right hand column of the table, how you will confirm the assumptions you just recorded in the left hand column of the table.

- Your notes will typically include, "ask or observe the performer", "ask or observe other performers", "videotape or record performance", etc. *(Use the reverse of the form if you need more room.)*

Step 9 Complete item 3 on the Solve Performance Problems Worksheet, by recording the actual observed causes you discovered/observed while investigating the *current* performance/behavior.

Step 10 As it directs in item 4 of the Solve Performance Problems Worksheet, locate your observed cause(s) in the left hand column of the table.

> **NOTE:** You may have recorded other observed causes in item 3 on the worksheet.
>
> If you did, compare what you recorded while you read each of the possible observed causes in the table in item 4 of the worksheet--you most likely will locate a match or similarity.

Step 11 Read all the “possible solutions” in the right hand column item 4 of the Solve Performance Problems Worksheet, opposite the observed causes you located in the previous Step.

☐ Place a check mark (✓) beside the possible solutions found in the right hand column that seem applicable to the problem. (More than one possible solution is likely and of course typical.)

Step 12 Using the “possible solutions” you just checked, list in the left hand column of the table in item 5 on the worksheet, each specific solution you plan to consider for implementation.

> **NOTE:** Don’t jump to conclusions--always complete items 2,3 & 4 on the worksheet first!

Step 13 Indicate in the right hand column of the table in item 5 on the worksheet whether you will apply a full or fast RAW to each solution.

- Use the *Conduct R.A.W. Test* Steps in Task 1.4, Analyze Data/Draft Needs List (Conduct R.A.W. Tests).

Step 14 Complete the Table in item 6 of the Solve Performance Problems Worksheet. *(Use blank paper if you need more room.)*

☐ Establish a plan of action and milestones (POA&M) for solving the performance/behavior problem(s).

☐ See notes about POA&Ms on the next page.

NOTE:	The complexity or simplicity of this step depends on the magnitude of the solution(s) and the importance of the problem. You will need to track your solution milestones with a recording device such as a daily planner, a notebook, an electronic Personal Data Assistant (PDA), etc. If the solution is a major project, you and/or others may want or need to track the project using project management software.

☐ In the column labeled **WHAT**, record the tasks and steps to accomplish your selected solutions.

NOTE:	To visualize the difference between tasks and steps, examine the design of this desk reference. It is divided into major duties, which are broken down into tasks, which are accomplished by completing the steps in the task. Generally tasks result in useful accomplishments, while steps detail activity leading to the accomplishment.

☐ If appropriate, use staff meetings to ensure the POA&M is understood and supported.

☐ In the column labeled **BY WHEN**, list the milestones/due dates applicable to the solutions you plan to implement.

☐ In the column labeled **WHO**, list who needs to accomplish the tasks and steps.

☐ In the column labeled **RESOURCES**, list the resources needed to accomplish the problem solution.

Step 14 (cont.)

NOTE: A plan of action and milestones is a list of the significant occurrences in a plan or course of action.

A POA&M includes, but is NOT limited to:

☐ Important dates. (Critical start/stop dates/times.)

☐ Name of the Program, business or office and the author.

☐ Purpose/problem statement with a narrative of the desired outcome.

☐ What has to be done, including subordinate tasks/steps?

☐ What measures/standards must be met? How progress and success will be evaluated.

☐ Sequential and/or critical path (multi-tasking) order of activities.

☐ When critical path tasks/steps are due. (Details of the Project/Task/Step prerequisites.)

☐ People assigned to accomplish various tasks/steps.

☐ Confirmation of assignments/responsibilities.

☐ Necessary/required reviews & approvals.

☐ Resources requirements. (Staffing, funds, supplies, equipment, scheduling of needed facilities, etc.)

☐ Procurement/contracting requirements. (Commitment of funds and other critical resources.)

☐ Due dates.

Step 15 Identify obstacles and objections to your problem solution/plan and develop strategies to overcome these. (Record your strategies at item 7 on the worksheet.)

☐ What obstacles may you encounter?

- Resources.
- Time.
- Budget.
- Rules, regulations, policy, etc.
- Culture, attitudes, behaviors, beliefs, values, etc.
- Facilities, equipment, machinery, vehicles, etc.
- Supplies and/or materials.

☐ Who may oppose the problem solution/plan?

- Staff, or in-house opposition?
- Your immediate manager/supervisor?
- Customers/patrons?
- Other Program managers?
- MCCS Director?
- Command Sergeant Major and/or senior enlisted personnel?
- Boards/councils?
- CO/XO/MCCS Director?

☐ Outline your strategies to overcome obstacles and/or opposition at Item 7 on the worksheet.

Consider the following questions:

- How broad-based are the obstacles/opposition?
- What are the alternatives?
- What strategies will overcome the obstacles/opposition?

Step 16 Obtain input, buy-in, approval from the following, as appropriate:

- Staff.
- Your immediate manager/supervisor.
- Customers/patrons.
- Other Program managers.
- NAF Personnel/HRO representatives.
- MCCS Director.
- Command Master Chief or senior enlisted personnel.
- Boards/councils.
- CO/XO/MCCS Director.

Step 17 Implement your problem solution(s)/POA&M.

☐ Keep your customers/patrons and staff members apprised of the actions taken, as applicable.

☐ Brief MCCS management and the command, as applicable.

Step 18 Monitor and communicate results of your solution(s).

☐ Set up informal communication with your staff.

☐ Schedule applicable status meetings with those involved.

☐ Review applicable performance indicators relative to the original problem(s).

For example:

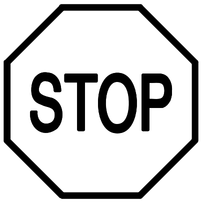
- Financial reports.
- Customer/patron usage figures.
- Customer/patron comments.
- Advisory board/council comments.

☐ See Task 4.8, Coach, Counsel, Tutor, and Mentor, Steps 15 - 22.

Step 19 Determine if the solution improves performance/behavior.

IF PERFORMANCE/BEHAVIOR:	THEN:
Improves after the solution(s) is in place.	1. Recognize the improved performance/ behavior. 2. Provide positive feedback. 3. Continue to monitor the performance and behavior of all your staff members on a regular basis.
Does **NOT** improve with the solution(s) in place.	1. Repeat Steps 6-18. 2. Ensure the performer and you agree on applicable performance expectations, requirements, and standards. 3. If performance/behavior still does NOT improve see Task 6.14, Discipline Staff.

Step 20 Document the results of your problem, performance, or behavior improvement efforts.



Congratulations! You've completed this task.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 1 of 8

1. What is the performance problem?

   - Describe **actual** performance. (What do they ***actually*** do NOW?)

THE REC AIDE DOES NOT ACKNOWLEDGE THE CUSTOMERS WHEN THEY ENTER THE FACILITY; DOES NOT GREET THEM; DOESN'T HELP THEM LOCATE THINGS; DOES NOT ANSWER QUESTIONS; AND GENERALLY SEEMS DISINTERESTED.

   - Describe desired performance. (What should they be doing to meet expectations or standards?)

SAMPLE

The person should BE COURTEOUS AND ASSIST CUSTOMERS any time
(describe what they should do)

that HE ENCOUNTERS A CUSTOMER, and it should be
(describe when they should do it)

done IN A CONSISTENT AND GENUINE MANNER.
(describe how well they should do it)

2. Why is there a performance problem? In the left column, record your assessment of possible causes. In the right column, record how you will determine the causes of the unsatisfactory performance.

WHAT ARE POSSIBLE CAUSES?	HOW CAN YOU FIND OUT?
(What don't they know about desired performance?) HOW TO HANDLE QUESTIONS.	ASK TYPICAL CUSTOMER QUESTIONS. OBSERVE.
(Why don't they want to perform as desired?) MORE WORK, FEAR OF MISTAKES.	WATCH HOW HARD SHE WORKS. OBSERVE CUSTOMER INTERACTIONS.
(What prevents them from performing as desired?) TOO BUSY.	ASK HER WHAT SHE DOES. OBSERVE WHAT SHE DOES.

- Page 2 of 8 -

SAMPLE

Use this page for your additional work on Solve Performance Problems.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 3 of 8

3. After investigating the performance problem, write the observed cause(s) here:

NO SKILLS ON HOW TO ANSWER QUESTIONS.
NO ONE EVER EXPLAINED THE "WHY" AND "HOW" OF
CUSTOMER SERVICE.

SAMPLE

- Page 4 of 8 -

SAMPLE

Use this page for your additional work on Solve Performance Problems.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 5 of 8

4. Locate your observed cause(s) in the left hand column of the table below then place a check mark (✓) beside the APPLICABLE possible solutions found in the right hand column.

OBSERVED CAUSES:	D	POSSIBLE SOLUTION:	✓
Staff member doesn't have the proper tools or equip.	ENVIRONMENT	1. Provide the proper tools/equipment.	
Unreasonable or complicated task. (Or staff member has special needs to accommodate disabilities.)		1. Change how the task is done. **-OR-** 2. Change the environment/task. 3. Accommodate staff member's special needs, if possible.	
Not enough time for staff member to do everything.		1. Reassign/drop tasks. 2. Schedule more people. (Use alternatives such as co-op, cross-training, contracting, and regional assets.) 3. Reassign priorities.	
Other tasks are believed more important.	MIA	1. Clarify performance/behavior expectations. 2. Ensure pleasant consequences reward the right things.	
Staff member is punished for doing the task.		1. Remove the punishment. 2. Arrange pleasant consequences for doing the task.	
Staff member is ignored, whether or not the task is done (or done correctly).		1. Clarify performance/behavior expectations. 2. Arrange pleasant consequences for doing the task. 3. Create unpleasant consequences for not doing it.	
[✓ Staff member doesn't know why task is important.]	SKILL/KNOWLEDGE	1. Clarify performance/behavior expectations. 2. Explain how the task fits into the overall picture.	✓
Staff member once knew, but forgot how to do the task.		1. Provide refresher training. 2. Provide a performance/job aid. (See Task 6.5, Train/Develop Staff.)	
[✓ Staff member never knew how to do the task.]		1. Provide training that tells: - What the task is. (Expectations.) - When, where and why to do the task. - How to do the task. - How well to do the task. (Standards.)	✓
Staff member doesn't know how to manage time effectively.		1. See Task 4.4, Manage Your Time and Things-To-Do and Task 4.5, Get Your Stuff Together.	
Staff member consciously/ unconsciously chooses not to do the task or to do it below standards. (See enclosure at the end of this Task.)	CHOICE	1. Hold the staff member accountable to correct performance/behavior. 2. See Task 4.8, Coach, Counsel, Tutor, and Mentor.	

D = Performance Domains

SAMPLE

- Page 6 of 8 -

SAMPLE

Use this page for your additional work on Solve Performance Problems.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 7 of 8

5. List the specific solutions from the previous step that you plan to take and indicate whether you will apply a full or fast RAW to each solution.
(Don't jump to conclusions--always complete worksheet items 2,3 & 4 first!)

SOLUTIONS	**RAW** **(Use RAW Worksheets from Task 1.4)**
1. CONDUCT MEETING TO EXPLAIN IMPORTANCE.	FAST
2. SCHEDULE FOR CUSTOMER SERVICE TRAINING.	2 DAYS PAY FULL LOST SALES
3. SCHEDULE HIM TO WORK WITH QUALIFIED	FAST
AND EXPERIENCED EMPLOYEE.	

SAMPLE

(Use extra paper as needed.)

6. Select best solutions and plan to do it. (Record the tasks and steps to accomplish your selected solutions. Include deadlines, assignments and applicable resources.)

WHAT	**BY WHEN**	**WHO**	**RESOURCES**
1. MEETING: EXPLAIN IMPORTANCE.	ASAP	ME	CUSTOMER COMMENT CARDS
2. SIGN HIM UP FOR C/S TRAINING.	FIRST AVAIL CLASS	PRNSL	TRAINING SCHEDULE
3. SCHED' HIM TO WORK WITH QUALIFIED	NEXT SCHED	SPVR	SCHEDULE & LIST OF
AND EXPERIENCED EMPLOYEE.			ITEMS TO ACCOMPLISH
4. FOLLOW UP/FEEDBACK.	2 WKS	ME	CHECKLIST

(Use extra paper as needed.)

- Page 8 of 8 -

7. What obstacles might you encounter? Who may oppose the problem solution/plan? What are your strategies to overcome the obstacles/opposition?

Obstacles/Opposition:

REC AIDE IS NOT AVAILABLE TO ATTEND CUSTOMER SERVICE TRAINING DURING DAY HOURS.

SAMPLE

Strategies:

TALK TO CUSTOMER SERVICE FACILITATOR ABOUT SCHEDULING COURSE EVENINGS/WEEKENDS.

- OR -

CONDUCT CUSTOMER SERVICE TRAINING VIA OJT.

Use this page for your additional work on Solve Performance Problems.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 1 of 8

1. What is the performance problem?

   - Describe **actual** performance. (What do they ***actually*** do NOW?)

____

____

____

   - Describe desired performance. (What should they be doing to meet expectations or standards?)

The person should ________________________________ any time
(describe what they should do)

that ________________________________, and it should be
(describe when they should do it)

done ________________________________.
(describe how well they should do it)

2. Why is there a performance problem? In the left column, record your assessment of possible causes. In the right column, record how you will determine the causes of the unsatisfactory performance.

WHAT ARE POSSIBLE CAUSES?	HOW CAN YOU FIND OUT?
(What don't they know about desired performance?)	
(Why don't they want to perform as desired?)	
(What prevents them from performing as desired?)	

- Page 2 of 8 -

Use this page for your additional work on Solve Performance Problems.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 3 of 8

3. After investigating the performance problem, write the observed cause(s) here:

- Page 4 of 8 -

Use this page for your additional work on Solve Performance Problems.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 5 of 8

4. Locate your observed cause(s) in the left hand column of the table below then place a check mark (✓) beside the APPLICABLE possible solutions found in the right hand column.

OBSERVED CAUSES:	D	POSSIBLE SOLUTION:	✓
Staff member doesn't have the proper tools or equip.	ENVIRONMENT	1. Provide the proper tools/equipment.	
Unreasonable or complicated task. (Or staff member has special needs to accommodate disabilities.)		1. Change how the task is done. **-OR-** 2. Change the environment/task. 3. Accommodate staff member's special needs, if possible.	
Not enough time for staff member to do everything.		1. Reassign/drop tasks. 2. Schedule more people. (Use alternatives such as co-op, cross-training, contracting, and regional assets.) 3. Reassign priorities.	
Other tasks are believed more important.	MIA	1. Clarify performance/behavior expectations. 2. Ensure pleasant consequences reward the right things.	
Staff member is punished for doing the task.		1. Remove the punishment. 2. Arrange pleasant consequences for doing the task.	
Staff member is ignored, whether or not the task is done (or done correctly).		1. Clarify performance/behavior expectations. 2. Arrange pleasant consequences for doing the task. 3. Create unpleasant consequences for not doing it.	
Staff member doesn't know why task is important.	SKILL/KNOWLEDGE	1. Clarify performance/behavior expectations. 2. Explain how the task fits into the overall picture.	
Staff member once knew, but forgot how to do the task.		1. Provide refresher training. 2. Provide a performance/job aid. (See Task 6.5, Train/Develop Staff.)	
Staff member never knew how to do the task.		1. Provide training that tells: - What the task is. (Expectations.) - When, where and why to do the task. - How to do the task. - How well to do the task. (Standards.)	
Staff member doesn't know how to manage time effectively.		1. See Task 4.4, Manage Your Time and Things-To-Do and Task 4.5, Get Your Stuff Together.	
Staff member consciously/ unconsciously chooses not to do the task or to do it below standards. (See enclosure at the end of this Task.)	CHOICE	1. Hold the staff member accountable to correct performance/behavior. 2. See Task 4.8, Coach, Counsel, Tutor, and Mentor.	

D = Performance Domains

- Page 6 of 8 -

Use this page for your additional work on Solve Performance Problems.

SOLVE PERFORMANCE PROBLEMS WORKSHEET -- Page 7 of 8

5. List the specific solutions from the previous step that you plan to take and indicate whether you will apply a full or fast RAW to each solution.
(Don't jump to conclusions--always complete worksheet items 2,3 & 4 first!)

SOLUTIONS	**RAW** **(Use RAW Worksheets from Task 1.4)**

(Use extra paper as needed.)

6. Select best solutions and plan to do it. (Record the tasks and steps to accomplish your selected solutions. Include deadlines, assignments and applicable resources.)

WHAT	BY WHEN	WHO	RESOURCES

(Use extra paper as needed.)

- Page 8 of 8 -

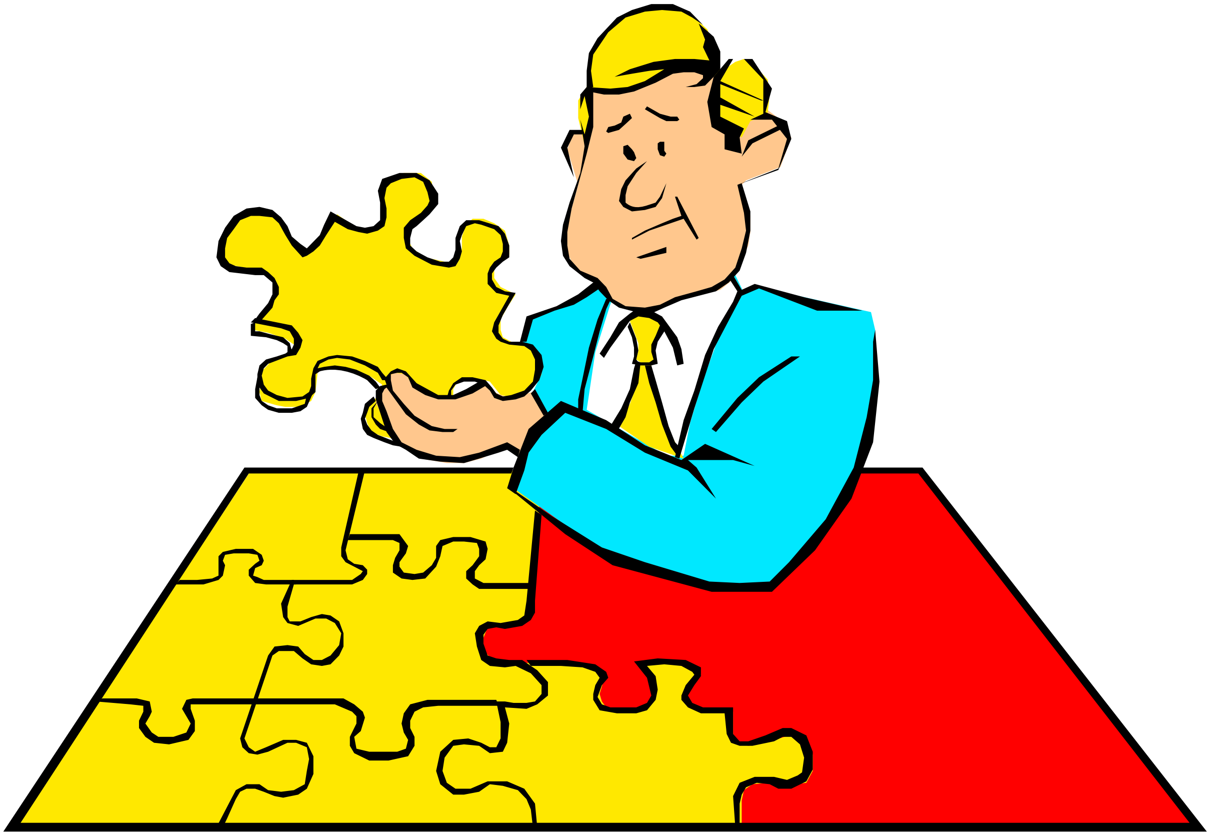
7. What obstacles might you encounter? Who may oppose the problem solution/plan? What are your strategies to overcome the obstacles/opposition?

Obstacles/Opposition:

Strategies:

Use this page for your additional work on Solve Performance Problems.

Understanding and Using the Four Domains of Performance



1. **Environment.**
2. **Incentive, Motivation, and Accountability.**
3. **Skill, Knowledge, Ability, Attitude, and Behavior.**
4. **Choice and Talent.**

PURPOSE

This enclosure to Task 4.3, Solve Performance Problems provides an illustration, tables and information to help you better understand human performance and behavior.

IMPORTANCE

It is important (if not imperative) that managers and supervisors understand why people do what they do and why they behave as they behave.

Managers and supervisors who are able to visualize performance and behavior as a “system” are more likely to apply appropriate corrections and guidance that effectively resolve work problems.

MODEL

The model used in Task 4.3 and throughout the EMC and MCCS Managers’ Desk References categorizes human performance and behavior into four domains.

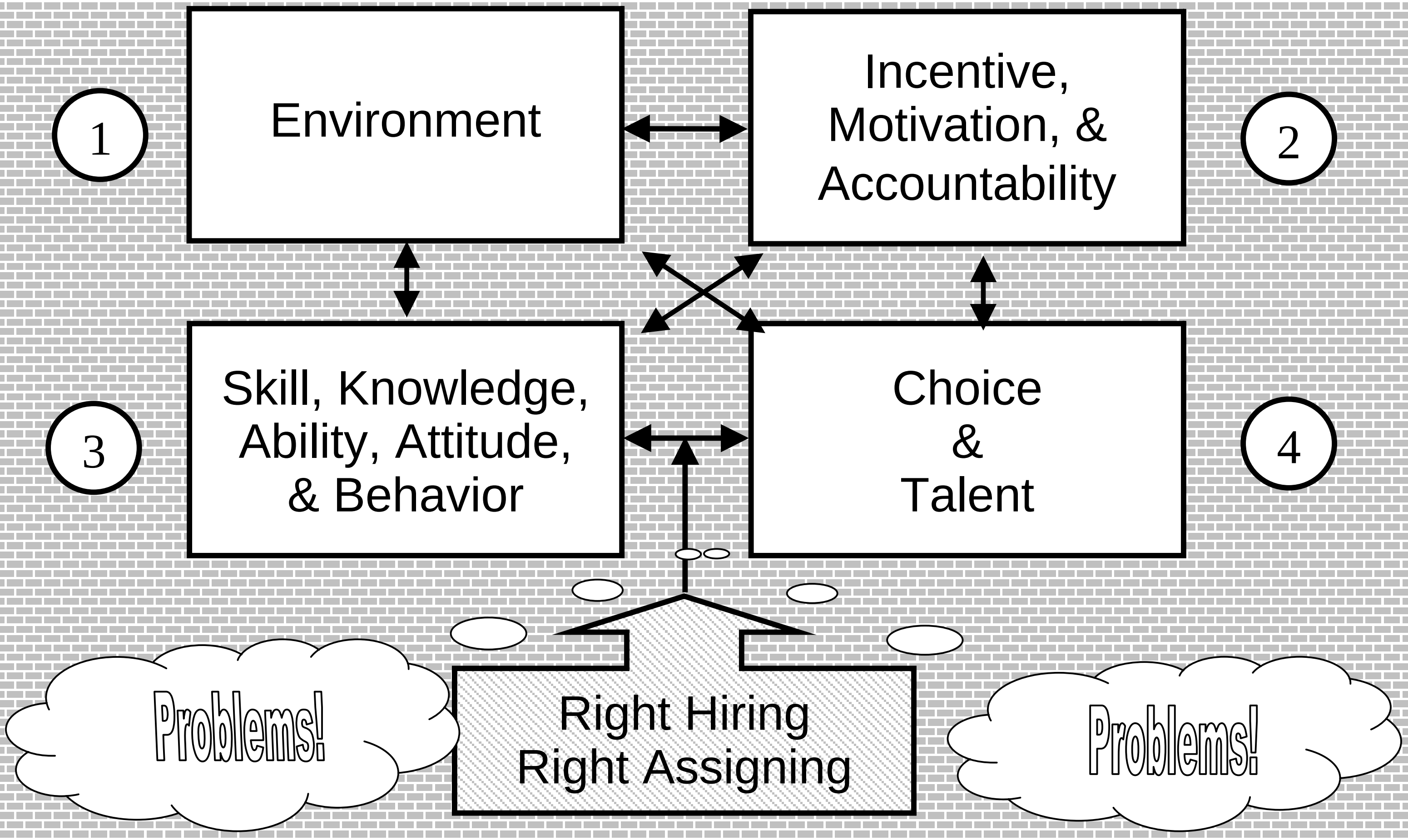
The four domains are:

1. Environmental.
2. Incentive, motivation, and accountability.
3. Skill, knowledge, ability, attitude, and behavior.
4. Individual Choice (free will) and talent.

An illustration of this model is shown on page **Performance - 5**. The model is derived from the research of many people in the Human Resources field, most notably Thomas F. Gilbert, Ph.D., Joseph H. Harless, Ph.D., and the Gallup Organization.

The remainder of this enclosure explains and illustrates the Four Domains of Performance. *(A domain is a related group/category.)*

FOUR DOMAINS OF PERFORMANCE



1 Environment

2 Incentive, Motivation, & Accountability

3 Skill, Knowledge, Ability, Attitude, & Behavior

4 Choice & Talent

Right Hiring
Right Assigning

MODEL

A copy of the "model" titled, Four Domains of Performance, is printed on card stock and located in the front pocket of your desk reference. You may want to use it while reading this enclosure.

This copy will be useful any time you are analyzing and trying to solve performance or behavior problems.

HOW TO READ THE MODEL

The "call-out" numbers (1 through 4) in the circles on the illustration do not imply that the four domains have a start, an order, or an end. The "call-outs" numbers are provided as a reference guide only. (E.g., Domain #1, Domain #2, etc.)

To one extent or another, elements from the four domains are simultaneously present and indispensable in all performance and behavior.

The arrows connecting the domains illustrate the "dynamics" of the four domains. Performance and behavior are often influenced by more than one of the domains, and conversely, an individual's performance or behavior can influence or impact any one of the domains or more than one of the domains.

START POINTS

The three entry elements (hiring, assigning and problems) into "system" are universal to successful workplace performance.

- The *proactive* use of the model is for "right-hiring" and "right-assigning".
- The *reactive*, and more frequent use of the model is for analyzing and resolving performance and behavior problems.

The location of the entry point at the bottom of the illustration is purely arbitrary.

PRECISION

Remember… this is a "model" -- a framework to help you to organize your thoughts about a specific work problem. (I.e., a human performance problem or unacceptable behavior.)

As you consider the elements in each of the domains, you will, from time-to-time, be unclear as to which domain a particular performance/behavior belongs--it doesn't matter!

What does matter is that you identify the true cause(s) of a problem by examining everything that is influencing or may influence the performance or behavior. (All four domains.)

WHY SHOULD YOU CARE?

The **NOTES** section of Task 4.3, Solve Performance Problems, says that the primary purpose of any Program, business or office is to produce accomplishments that are relevant, useful and valuable to its customers/patrons.

There is simply no other reason to work or be in business!

If you are thinking, "Well, I'm in business to make money" you're right. But remember that money just indicates that your Program, business or office met (and hopefully exceeded) your customers'/patrons' wants and needs. If you don't meet their wants and needs, the money stops!

This four-domain performance model is simply one of many management/supervisory "tools" to help you ensure the money keeps coming.

WHAT CAN I DO WITH THE MODEL?

You can use this model in any of the following work situations:

- Reorganizing a Program, business, office, department, organization, or agency.
- Preparing recommendations for business-based actions (BBAs), reductions in force (RIFs), or disciplinary action.
- Revising a position/job.
- Considering the details of a new position/job.
- Preparing to announce/fill a vacancy.
- Preparing to interview position/job applicants.
- Assessing your staff's talents.
- Assigning responsibilities, duties, or tasks.
- Examining factors affecting job performance.
- Attempting to improve/change staff performance/behavior.
- Preparing to Coach, Counsel, Tutor, or Mentor.

WHAT'S IN THE FOUR DOMAINS?

Elements found in each domain are listed on the next four pages. You will probably think of other elements relative to your Program, business or office. If you do, record them on the appropriate page.

The four domains include:

- **Domain 1 - The Environmental Domain.** This domain includes all components, facilities, equipment, supplies, vehicles, machinery, situations, conditions, policy, procedures, and the culture that affect, influence, or are necessary for proper performance and behavior.

- **Domain 2 - The Incentive, Motivation, Accountability Domain.** This domain includes the systems, communications, policies, and practices that incentivize and motivate your staff and hold them accountable (based on specified expectations and standards) for their performance and behavior.

- **Domain 3 - The Skill, Knowledge, Ability, Attitude, Behavior Domain.** This domain includes everything performers must know, be able to do, value, and believe. It also includes their abilities, agility, natural senses and how they act, react, and behave.

- **Domain 4 - The Choice and Talent Domain.** This domain includes everything performers are predisposed to do (or NOT do) and choose to do (or NOT do). Everything a performer is and is not and everything he brings to work and doesn't.

DOMAIN 1

Examine and edit the following, **Domain - 1, Environmental** list. Write in any environmental elements, situations, or conditions that influence or could influence the positions/jobs, responsibilities, duties, roles, and/or tasks in your Program, business or office.

For Example:

- Accessibility.
- Appearance.
- Cleanliness.
- Color.
- Comfort.
- Communications.
- Culture.
- Decor.
- Equipment.
- Ergonomics.
- Information.
- Layout.
- Lighting.
- Location.
- Machinery.
- Noise.
- Organization.
- Paradigms.
- Physical arrangement.
- Physical space.
- Policies.
- Procedures.
- Processes.
- Regulations.
- Rules.
- Safety measures.
- Signage.
- Smells/odors.
- Sound.
- Structure.
- Supplies (and supply availability).
- Temperature.
- Time, timing, and speed.
- Tools.
- Vehicles.
- Etc.

NOTE: All environmental elements, *applicable to a specific performance or behavior*, must be in place to ensure correct performance/behavior.

DOMAIN 2

Examine and edit the following **Domain - 2, Incentive, Motivation, and Accountability** list. Write in any incentive, motivation, and accountability elements that influence or could influence the positions/jobs, responsibilities, duties, roles, and/or tasks in your Program, business or office.

For Example:

- Staff members are held accountable (based on specified expectations and standards) to fix inappropriate behavior and/or incorrect performance.
- Staff members are rewarded, not punished, for doing the right things at the right times.
- Staff members receive appropriate and just-in-time praise, reward, reinforcement, coaching, counseling, tutoring, mentoring, and feedback to sustain and to help improve their performance and their career.
- Staff members are not ignored--their value and contributions are consistently and fairly acknowledged.

Included In This Domain:

- Acknowledgments.
- Accountability.
- Admonishment.
- Assignments.
- Bonuses/perks.
- Coaching.
- Empowerment.
- Expectations.
- Feedback.
- Gifts.
- Goals & Objectives.
- Letter of Appreciation.
- Memberships.
- Mentoring.
- Observation.
- On-the-job training.
- Performance reviews.
- Performance standards.
- Praise.
- Professional development.
- Promotions.
- Quality standards.
- Raises.
- Responsibility.
- Schedules.
- Suggestions.
- Supervision.
- Thanks.
- Training.
- Wage/salary.

NOTE: All incentive, motivation, and accountability elements, *applicable to a specific performance or behavior*, must be in place to ensure correct performance/behavior.

DOMAIN 3

Examine and edit the following **Domain - 3, Skill Knowledge, Ability, Attitude, and Behavior** list. Write in any skill, knowledge, ability, attitude, or behavior elements that influence or could influence the positions/jobs, responsibilities, duties, roles, and/or tasks in your Program, business or office.

For Example:

SKILL/KNOWLEDGE ELEMENTS

- What to do.
- How to do it.
- When to do it.
- Where to do it.
- What is needed to do it.
- Who to do it to/for/with.
- How well to do it.
- Why it's done.

ABILITY ELEMENTS

- **5 senses: sight, hearing, touch, smell, and taste, plus...**

- Agility.
- Coordination.
- Dexterity.
- Energy.
- Flexibility.
- Mental acuity.
- Physical ability.
- Problem solving.
- Reasoning.
- Reflexivity.
- Stature.
- Stamina.
- Strength.

ATTITUDE/BEHAVIOR ELEMENTS

- Courteousness.
- Empathy.
- Equality.
- Ethics.
- Fairness.
- Honesty.
- Loner.
- Mannered.
- Mixer/Mingler.
- Outgoing/Extroverted.
- Quiet.
- Sharing.
- Shy/Introverted.
- Vociferous.

NOTE: All applicable skill knowledge, ability, attitude, and behavior elements, *applicable to a specific performance or behavior*, must be in place to ensure correct performance/behavior.

Attitudes/behaviors are sometimes the results of a person's talents and probably won't change much, and other times the behavior is a choice, which may change. (See Domain 4.)

DOMAIN 4

Examine and edit the following **Domain - 4, Individual Choice and Talent** list. Write in any choice and talent elements that influence or could influence the positions/jobs, responsibilities, duties, roles, and/or tasks in your Program, business or office.

DESIRED/ACCEPTABLE	UNDESIRED/NOT ACCEPTABLE
• Affable..	• Contemptuous.
• Cheerful	• Sad/cheerless.
• Communicative.	• Non-communicative.
• Cooperative.	• Uncooperative.
• Courteous.	• Rude/cold.
• Ethical.	• Unethical.
• Fair.	• Unfair.
• Gregarious.	• Introverted/withdrawn.
• Helpful.	• Disassociated.
• Honest.	• Dishonest.
• Kind.	• Unkind.
• Non-discriminatory.	• Discriminatory.
• Non-sexist.	• Sexist.
• Participatory.	• Non-participatory.
• Self-starter.	• Tacit.
• Selfless.	• Selfish.
• Tactful.	• Tactless.
• Thoughtful.	• Thoughtless.
• Well-mannered.	• Ill-mannered.

NOTE: Staff members choose to perform to standards--that is, to accomplish their assigned tasks correctly, at the right time, and with appropriate demeanor. Most people choose to do so when their emotional state is such that they are able to do so.

Sometimes factors develop that change how a staff member performs from acceptable to suddenly and perhaps chronically unacceptable. These factors can include: dependency issues, relationship problems, family situations, chronic pain/illness, indebtedness, unresolved anger issues and frustration, perceptions of unfair treatment at work, etc.

And sometimes, people just "choose" not to do something or they do it the way someone else wants it done, when they want it done, etc., instead of the correct way.

Behaviors are sometimes the results of a person's talents and probably won't change much, and other times the behavior is a choice, which may change. Your job is to find out which (talent or choice) is the cause when the behavior is unacceptable or disruptive.

All applicable choice and talent elements, applicable to a specific performance or behavior, must be in place to ensure correct performance/behavior.

THEORY

If every element (relative to a particular performance or behavior) from each of the four domains is present, then performance and behavior will be perfect 100% of the time.

REALITY

Too many variables! In truth, perfect performance and behavior is fleeting and often accidental.

Just imagine the unlikely probability of all the necessary environmental elements, incentives, motives, expectations, skill, knowledge, ability, capability, talent, and performer willingness being in the same place at the same time a customer has a MATCHING want or need. Kind of frightening isn't it? Fortunately, most people are pretty flexible, and very few need or expect *perfect*!

CHALLENGE

Your challenge is to remain aware of and constantly juggle and adjust the elements in the four domains to ensure you and your staff deliver extraordinary customer service to all of your internal and external customers/patrons.

The tools and guidance provided in this desk reference set and in the Essential Management Competencies (EMC) desk reference will help you meet this challenge.

As stated elsewhere in the desk reference set, if it was easy, everyone would want to manage and supervise!

TWO GOOD READS

Does the following sound familiar?

You try to find and hire the best candidates for your Program, business or office. You ensure they receive training. You follow them around telling, showing, explaining, directing, demonstrating, coaching, counseling, cajoling, haranguing and everything else you can possibly think of and you still have staff members who don't do what you think they should.

Your colleagues commiserate--they have the same problems. "We just can't get anybody who cares." "I don't believe he can do anything correctly." "Her attitude stinks!" Etc.

If you are shaking your head, "YES", you are in the same boat as almost every manager and supervisor. Keep the faith and read the two following references. You will surely find some help and have an "ah-ha!" or two.

- Why Employees Don't Do What They're Supposed To Do, Ferdinand F. Fournies, Liberty Hall Press, Blue Ridge Summit, PA, 1988.
- First, Break All The Rules: What The World's Greatest Managers Do Differently, Marcus Buckingham and Curt Coffman, Simon & Schuster, New York, NY, 1999.

HOW DOES YOUR STAFF FEEL?

The recently reported research conducted by the Gallup Organization used a brief survey to discover how several hundred thousand employees, managers, and supervisors felt their job.

A copy of that survey is provided on the next page. You can use it to find out your staff members feel about their jobs and what they would change.

To fully interpret the results of the survey you should read First, Break All The Rules: What The World's Greatest Managers Do Differently.

WORK SATISFACTION SURVEY by the Gallup Organization (Directions on reverse.)

	Indicate your opinion in statements 1-12 using the 5-point scale where "5" means you totally agree and "1" means you totally disagree.	**1** 😠	**2** ☹	**3** 😐	**4** ☺	**5** 😁
1.	I know what is expected of me at work.					
2.	I have the materials and equipment I need to do my work right.					
3.	At work, I have the opportunity to do that which I do best every day.					
4.	In the last seven days, I have received recognition or praise for doing good work.					
5.	My supervisor, or someone at work, seems to care about me as a person.					
6.	There is someone at work who encourages my development.					
7.	At work, my opinion seems to count.					
8.	The mission and purpose of our Program, business, office, department, organization, or agency make me feel my job is important.					
9.	My fellow employees are committed to doing quality work.					
10.	I have a best friend at work.					
11.	In the past six months, someone at work has talked to me about my progress.					
12.	This last year, I have had opportunities to learn and grow at work.					
Overall:	**On a 5-point scale, where "5" is extremely satisfied, and "1" is extremely dissatisfied, how satisfied are you with where you work?**	1 😠	2 ☹	3 😐	4 ☺	5 😁

What one thing would you like started, stopped, or done differently/changed, and why?

Survey courtesy of Gallup Organization, Gallup Q12. Duplication of survey for commercial purposes is prohibited by copyright.

1. Ask each staff member to complete the questionnaire.

   ☐ Keep responses anonymous--no names on the questionnaires.

   ☐ Provide this one bit of guidance before completing the questionnaire.

   - When answering surveys/questionnaires, some survey respondents are reluctant to use the highest/lowest rating scores. Ask your respondents to resist their inclination to not score "5's" or "1's".

   - Explain that an extreme range answer like a "5" or a "1" is okay for this type survey with the understanding that "nothing is perfect" and "things could probably be worse".

2. Analyze the results.

   ☐ Total up all of the scores from each respondent for each question and divide each question's total by the number of people completing the survey.

   ☐ Record the results on an easel and easel pad.

3. Discuss the results of each of the 12 questions and the overall satisfaction rating. The desired goal is all "5's".

4. Brainstorm actions, activities, and changes that your staff agree would improve their specific and overall work satisfaction. (See EMC Task 5.2, Build and Lead Teams.)

5. Arrive at consensus and prioritize which actions to take.

6. Get agreement on how everyone will recognize improvement or change. (What measurements will you use to recognize progress/improvement?)

7. Prepare a plan of action and milestones. (See Step 14.)

   ☐ Record your personal decisions/actions/activities in your personal recording tool/device. (E.g., daily planner, notebook, PDA, or a tape recorder.)

   ☐ Ensure your staff has copies of their assignments, responsibilities, and personal decisions/ actions/activities.

   ☐ Agree on when and how often you and your staff will review and discuss everyone's progress toward improving work satisfaction.

MCCS MANAGERS’ DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.4

Manage Your Time and Things-To-Do

DO THIS TASK WHEN

- You need to evaluate how you use your time.
- You need to establish/revise a time management system to manage your time more effectively.
- You need a system that reminds you to take specific actions at some known date and/or time in the future.
- Change in your organization’s, command’s, or department’s vision, mission, strategic plans, short/long-term plans, operations, procedures, or policies affects your “things-to-do”.
- You need access to phone numbers, addresses, or other business/personal information at locations other than in your office or at home.

REFERENCES

- How to Get Control of Your Time and Your Life, Alan Lakein, Signet Book, New York, NY, 1973.
- MBO-II, A System of Managerial Leadership, George S. Odiorne, Fearon Pittman, Belmont, CA, 1979.
- Goal Analysis, Robert Mager, Lake Publishing, Belmont, CA, 1984.
- Managing Management Time, William Oncken, Prentice Hall, Inc., Englewood Cliffs, NJ, 1984.

REFERENCES (cont.)

- Time Management Skills, Charles MacDonald, Human Resource Development Press, Amherst, MA, 1985.
- Time of Your Life, (video-28 min), with James Whitmore and Ron Masak, Cally Curtis Co., Hollywood, CA, 1985.
- The Seven Habits of Highly Effective People, Stephen R. Covey, Ph.D., Simon and Shuster, NY, 1989.
- Practical Time Management, Marion Hayes, Crisp Publications, Los Altos, CA, 1991.
- Principle Centered Leadership, Stephen R. Covey, Ph.D., Simon and Shuster, NY, 1991.
- First Things First, Stephen R. Covey, Ph.D., Simon and Shuster, NY, 1994.
- Getting Organized, Jeff Olson, Velocity Business Publishing, Bristol, VT, 1997.
- The Time Management Pocketbook, Ian Fleming, Stylus Publishing, Inc., Sterling, VA, 1999.

SUPPLIES/ RESOURCES

- Your MCCS Program's vision and mission statements.
- Information about your MCCS Program's strategic plans.
- Information about your MCCS Program's short/long-term plans.
- Your approved Activity Planning Calendars.
- Other applicable installation, MCCS Program planning documents, schedules, or other calendars.

SUPPLIES/ RESOURCES (cont.)

- Typical office supplies.
- A manual or electronic time management tool. (E.g., time log, notebook, personal journal, appointment log/book, Personal Data Assistant (PDA), etc.)

THIS TASK IS DONE CORRECTLY WHEN

- You periodically examine how you use your time.
- You use a time management system that records, tracks, cues, and helps you:
    - Ensure your personal and Program goals and objectives are accomplished on or ahead of deadlines.
    - Accomplish approved/scheduled program activities, events, and projects.
    - Accomplish your Program’s short/long-term program plan.
    - Accomplish your Program’s strategic plan.
- Your time management system helps you prioritize your job and personal requirements, assignments, and responsibilities.
- Your time management system incorporates your important personal and professional data, dates, addresses, phone numbers, and networking information.
- Your time management system ensures you don’t miss important appointments, milestones, details, or deadlines.
- Your time management system leads you and your staff to do the right things at the right time.

NOTES

This task describes a procedure to consolidate business and personal stimuli/cues into a single system to help you accomplish all your assignments and responsibilities professionally, effectively, and efficiently.

These stimuli/cues may include any of the following:

- Approved program activities/events.
- Business/personal appointments.
- Business goals and objectives.
- Command/community special activities/events.
- Holidays.
- Health (e.g., events, schedules, appointments, reminders, etc.).
- Meetings.
- MCCS Program special activities/events.
- Networking with colleagues, peers, and industry.
- Paydays.
- Performance ratings/staff performance reviews.
- Personal development/growth. (E.g., health, welfare, family, community, and spirit.)
- Professional development of staff and self.
- Personal goals and objectives.
- Promises to customers/patrons, staff, and management.
- Renovations/repairs.
- Re-prioritizations, whether yours or management's.
- Short/long-term program plans/action items.
- Special days. (E.g., anniversaries, graduations, weddings, birthdays, etc.)
- Social appointments, activities, events. (E.g., theater, ballet, etc.)
- Sports appointments, activities, events.
- Staff counseling, coaching and mentoring.
- Staff anniversaries. (E.g. dates of hire, promotions, personal dates, etc.)
- Stand-downs. (E.g., inspections, special training dates, etc.)
- Strategic plans/strategic action items.
- Training days/dates/classes.
- Unanticipated/unplanned assignments.
- Unanticipated/unplanned events or minor/major catastrophes.

Time is a resource that we all seem to have too little of. One writer said, "there's too much month at the end of my money, and too many things to do at the end of my day!" You can't put more than 24 hours in a day, but you can use the time you have more effectively. In this module you will learn how to manage your time through the use of a time management, things-to-do, journal system.

GOAL

The goal of this task is for you to identify, select, and **use** a time management, things-to-do, journal (records keeping) system that you find:

- Simple, fun, and rewarding to use.
- Hard to forget to use. One you can't do without!

And for you to consolidate and coordinate all your weekly and daily things-to-do and assignments from all planning and directive sources. These include your action items, responsibilities, milestones, and deadlines from:

- Program's activity calendar.
- Business and personal goals and objectives.
- Program's strategic plan.
- Program's short/long-term plans.
- Direct management assignments.

"The challenge is not to manage time, but to manage ourselves." (author unknown)

PROCEDURE

ANALYZE YOUR USE OF TIME (Steps 1 - 7)

Step 1 Discover where your time goes.

NOTE: Time, like most elements in business or life, must first be studied before it can be improved or changed. One obvious fact; each of us only has 24-hours every day...., period!

The next few steps have you examine your current use of each 24-hour period. Later steps will guide you to consider time alternatives.

☐ Record how you use your time for a specific period..., say a month.

☐ Use a fractional representation of time where 15 minutes = 0.25 hours. You usually do **NOT** need to be more precise than this.

☐ Include everything you do in an outline format like the following example for our friend Jerry.

☐ To categorize your time, use a shorthand system in your journal based on your system code or key words.

JERRY'S TIME FOR A DAY

CODE/KEY WORDS	DETAILS	TIME
Get ready	Up, dressed, jogged, showered, relaxed then got ready for work.	1.00
Breakfast	Everyone up and in great spirits today ☺..., toast, juice, milk, cereal, and coffee.	0.50
Family	K&H Jeanne, then took Joan and Mike to school. Dropped Travis off at vets--he won't be the same.	1.25
Commute	Drove to work--S.O.S.!	0.75
Staff	Arrived, greeted everyone. Shared quick stories.☺	0.25

SAMPLE

Step 1 (cont.)

E-mail/Internet	Processed e-mail, dumped junk, printed meeting announcement. No e-mail... hooray!	0.25
Phone/fax	Called Maxine..., okay on travel plans. Called John, purchase request okay. Received three vendor calls, dumped these ASAP.	0.25 0.25 0.25
In-basket	Junked “C” stuff, threw one “B” article in briefcase..., no “A” stuff. (*) See reference below.	0.25
Get Ready	Reviewed last night’s log then talked with Carol. Reviewed my system’s, “Things-To-Do” list and prioritized my “A” projects.	0.25 0.25
Staff	Went over purchase plans with John. Coached Maria on search procedures in her database. Quick OJT.	0.50 0.50
Project #2	Facilitated team meeting on new product line marketing scheme and sponsorship.	1.00
Lunch	Met Jeanne and her staff for lunch. They’re doing some neat things at OBU!	1.00
Maintenance	Met with custodial and maintenance supervisors and staff. Presented awards to their top achievers!	1.00
Meeting	Attended Division meeting. Got go-ahead on the Martin project..., yea!	1.00
Staff	Quick team meeting. Told them about the Martin account--left them happily working.	1.00
Commute	Picked up Travis..., no more sports for him! Dumb traffic!	0.75
Gym/Leisure	Beat Arnie in 1-on-1! Great sauna!	1.00
Family	Joan and Mike to their soccer matches..., both teams lost but had a good time. Mike was in a snit! (We talked later..., he’s ok.)	1.50
Dinner	Took family to LeMeal’s! Nice time & meal.	1.00
Sharpen Self	Read some of Acker’s book, then walked.	1.00
Get Ready	Got clothes ready for tomorrow. Reviewed journal and tomorrow’s T-T-D list.	0.50
Sleep	Got good night’s sleep...., no shoulder pain!	7.50

SAMPLE

See Step 4 for information on categories or time.

Step 2 Total up your time by the categories you identified with your key/code words for the time period you examined.

Example -- Here are Jerry's totals for a 720-hour month:

Get Ready	38.00
Family	41.25
House/Family business	7.50
Sports/Leisure	15.75
Sharpen self	45.75
Meals	65.00
Sleep	230.00
Commute	36.75
Travel	6.50
Medical	4.75
Spiritual	12.50
T.V.	27.25
Staff pleasantries	12.75
Staff counsel/coach	9.50
Staff meetings	4.75
Project meetings	15.00
Division/branch meetings	8.00
Calls made	21.75
Calls received	19.50
Internet/fax	15.75
Unexpected schedule changes	7.50
"A" project work	22.50
"B" project work	9.75
"C" project work	5.25
In-basket Processing	7.50
Maintain Time Journal	5.50
Business travel	8.00
Career development	6.75
Admin	4.25
Other	5.00

SAMPLE

☐ Experiment with the code/key words in the beginning, until you have a comprehensive breakdown of how you use **your** time.

☐ Repeat these studies periodically throughout the year as the seasons, weather, holidays, available daylight, fleet/troop movements/mobilizations, school, revenues or customer/patron usage, and other factors affect what you do and how you use your time.

☐ Do a quick, representative study whenever you start running into time crunches.

NOTE: You may be surprised at what you learn about yourself, your family, your friends, your staff, your habits, and your hobbies, recreation, and leisure the first few times you record and examine your use of time.

It is unlikely that you will find the balance Jerry seems to have in the example above.... don't worry, neither do we!

Step 3 Decide if you want to adjust your use of time each day. (Remember, how you use your time IS the rest of your life.)

IF YOU WANT TO:	THEN YOU WILL NEED TO:
Increase the amount (volume/count) of daily accomplishments.	1. Decrease the frequency or length of value activities you currently do each day. 2. Replace these with a corresponding increase in accomplishment activities.
Increase the value of what you do and get out of each day.	1. Decrease the frequency or length of the accomplishment activities you currently do each day. 2. Replace these with a corresponding increase in value activities.
Gain a balance in your life. • between work and outside work. • between value and non-value activities.	1. Reduce or eliminate the low and non-value accomplishment activities you do each day. 2. Increase the moderate to high value activities you do each day.

NOTE: This is **NOT** a trick! Behavioral studies indicate that *most* humans are intrinsically rewarded by getting things done (accomplishment activity). The point of the decisions you make using the table above is *that doing the right things* and *getting the right things done* (value activities) should always be your prime endeavor as a supervisor/ manager.

Putting off the “A” things while doing “C’s” and “B’s” is typical behavior for most of us. Conversely, ignoring “C’s”, delaying “B’s”, and busily accomplishing “A’s is more uncomfortable and seems less rewarding. It’s just not fun working endlessly on difficult assignments, projects, tasks, (“A’s” or high value) whereas, it **IS** fun getting boxes checked off (“C’s” and “B’s”).

The next step has you examine and make choices about which value activities and which accomplishment activities you want to focus on in your future business and personal life. There is no easy way home here folks--doing the value ones is harder! The value activities require persistence and result in life-long or significant (but often delayed) reward. Whereas an accomplishment focus feels better and results in more immediate feedback (reward), but has less long-term value to you, your family, your friends, and your Program.

Step 4 Choose activities from the following list to include in your daily routines. The "Hard-To-Do, High Value Activities" will give you more balance and effectiveness in your personal and/or business life.

THE HARD TO-DO, HIGH VALUE ACTIVITIES: (A-ACTIVITIES)

- Plan strategically for the short/long-term. Revisit your plans regularly. Like the carpenter's rule, "plan twice (at least), then do it right once!"
- Be proactive vice reactive in your life and work.
- Build relationships with family, friends, staff, colleagues, and your boss.
- Develop each member of your staff.
- Delegate and empower correctly. Never abdicate then leave them hanging!
- Coach, tutor, mentor and when needed, confront and counsel.
- Develop yourself intellectually, physically, emotionally and spiritually.
- Continually review and clarify/verify your values.
- Do the "right" things vice the "easy" things.
- Do your "A" activities, assignments, responsibilities and projects.

These activities are the most important, but never seem urgent, so they are easy to ignore.
These are your high return "A's" -- Do these first and at every opportunity!

THE EASY TO MODERATELY HARD AND SEEMINGLY VALUABLE ACTIVITIES: (B-ACTIVITIES)

- Some of your phone calls and correspondence.
- Reports and similar administrivia.
- Some of your meetings.
- Probably most of your interruptions.
- Your "B" activities, assignments, responsibilities and projects.

These activities typically are NOT important, but may be or seem urgent, so they most often get our immediate attention. Do these only between your "A's", or better, delegate them.

THE REALLY EASY, BUT NEARLY POINTLESS ACTIVITIES: (C-ACTIVITIES)

- Trivia and busy work.
- Time wasters and "escape" activities, like excessive TV.
- Totally irrelevant mail, periodicals, books, shows, etc.
- Your "C" activities, assignments, responsibilities and projects.

These activities are neither important nor urgent, yet they are so easy to do that we just want to, "knock them out of the way first before moving on to the important or difficult stuff". A false sense of progress! (DON'T DO THESE..., don't even give these to someone else!)

Step 5 Classify each of your current activities, assignments, responsibilities, and project action items into one of the four following categories:

Group 1 **(A’s/B’s)**	Important and Urgent. (Seemingly.)	1. These are crises, pressing problems, deadlines, imminent and unavoidable meetings, activity preparations, etc. 2. These are by their nature, must-do immediately “A” activities. (Usually someone else’s.)
Group 2 **(A’s)**	Important, but **NOT** Urgent.	1. These are your planning, proactive, coaching, mentoring, tutoring, delegating, relationship-building, self-development activities. 2. **These are your high value “A” activities.** 3. Do these and you won’t have as many crises, pressing problems, deadlines, imminent and unavoidable meetings, etc., as you may now have.
Group 3 **(B’s)**	**NOT** Important, but Urgent.	1. Important calls, correspondence, meetings, conversations, reports, collateral duties, etc. 2. These are frequently someone else’s “A’s”. 3. These are your “B’s; give them away, give them back, or do them “someday” or when they finally become an “A”.
Group 4 **(C’s)**	**NEITHER** Important or Urgent.	1. Junk, busy work, and, “make you feel like you’re doing something” activity. 2. These are your “C’s”; dump them.

NOTE: According to Stephen Covey, “An activity is **important** if you personally find it valuable, and it contributes to your mission, values, and high-priority goals. An activity is **urgent** if you or others feel that it requires immediate attention.”

If you will attempt to remain focused on the activities, assignments, responsibilities and projects that are in Group 2, “Important, but **NOT** Urgent”, you will increase value in what you do and who you become and you will experience fewer crises, pressing problems, and imminent deadlines. In essence, you will increase your effectiveness.

One of Stephen Covey’s underlying principles is that, “Effectiveness requires balancing important relationships, roles, and activities.”

Step 6 Evaluate the effectiveness of your time usage.

- Are you achieving or moving in the direction of balance you desire and planned for?
- Are you meeting and accomplishing your personal and business goals and objectives?
- Are you working successfully and progressively on your most important "A's" based on your declaration of "Important, but NOT urgent".
- Can you justify to yourself that you are making the best use of your time based on your standards and choices?

IF YOU ARE:	**THEN:**
Using your time effectively.	1. Congratulations! 2. Review the rest of this Duty for some interesting ideas about effective time management tools, time management and delegation.
NOT using your time effectively.	Continue with Step 7.

Step 7 Reflect for a few minutes on all the activity, schedule and information demands and obligations in your life, then jot down some notes about what you would like your time management to do for you.

Use these questions as a prompt:

☐ Do you always meet your deadlines?

☐ Do you forget things from time-to-time that result in minor embarrassments?

☐ Do you know where and how you use your time more definitively than, “at work”, “at home”, “sleeping”, and, “at leisure pursuits”?

☐ Do you remember all those important family, friends, and staff dates?

☐ Do you feel like you should have had more tax deductions just after April 15th or more budget requirements just after your budget request is fully funded?

☐ Are you UNABLE to locate your desktop (or office for that matter) for all of the IMPORTANT notes you have lying, taped, stacked, or stuck here and there?

☐ Are you ever happily half way through today’s “To-Do’s” when you realize it’s tomorrow?

☐ Do you find yourself saying at uncomfortable times, “that’s in my car”, “it’s on my desk”, “it’s at home on the nightstand” or, “it’s here somewhere”?

☐ Do you sometimes arrive at meetings/appointments too early/late because you forgot the “exact” time?

☐ Can you remember everything you and your staff did/didn’t do during the past year while you are preparing annual goals and objectives and performance ratings?

☐ Are your important phone numbers always at your fingertips when you need them?

☐ When asked, can you answer, “what is the metric equivalency of 1 decimeter?” (3.937 inches / 0.328 feet... ☺/)

NOTE: If you’re like us, your answers and reflections probably suggest that your life would benefit from the organization of a time management, things-to-do, journal system and that’s certainly one of the points of this task. **“Organization is not a spot check, it’s a way of life!”**

SELECT A TIME MANAGEMENT SYSTEM (Steps 8 - 11)

Step 8 Determine whether you need to develop, purchase, or obtain a time management, things-to-do, journal system.

IF:	AND:	THEN:
You **DON'T** have a system.	→	1. Go to Step 9.
You already have a system.	Your system assists you in successfully accomplishing **ALL** your "A's" / Group 2 Activities.	1. Congratulations! 2. STOP here. 3. Let us know how you do it! ☺
	Your system does **NOT** assist you in successfully accomplishing ALL your "A's" / Group 2 Activities. **-OR-** You're not completely satisfied with the results of your present system.	1. Jot down what you want your system to do for you. 2. Go to Step 9.
You're not sure if you need a system.	→	

Step 9 Decide what type system you want to use -- paper-based or electronic?

IF YOUR JOB:	AND:	THEN:
Has you up on your feet and moving around the business most of the day..., (a good thing).	→	You probably want to select/use a paper-based system or portable electronic system.
Is MOSTLY done at a desk using a computer (necessary, but not always a good thing).	You like computers a lot.	A computer-based system will probably be perfect for you.
	DON'T like computers a whole lot.	A computer-based system may be just the thing for you.

NOTE: There are pros and cons to both systems.

- The paper-based systems can go where you go, keeping your information right at hand, but you must remember to continually scan forward in your schedules and plans to identify important **UPCOMING** dates and things-to-do.
- With the exception of the pocket/palm computers, and lap-tops/ portables, the electronic system has to stay put somewhere; but unlike the paper system, you can set alarms to notify you of important, upcoming and due dates and things-to-do.

While this job aid may seem a bit non-committal, the point is for you to consider how and where you work, what you do, and what information you need, then go on to examine some of the available systems.

Step 10 Examine some of the various systems that are available. This examination will be based on your personal time-study, decisions, your job environment, information requirements, interests and hobbies, how much you want to pay, and what size, type, and features you like.

- **Paper-based systems are available from:**
    - Specialty and direct mail-order catalogs and the Web.
    - Most gift, card, and stationery stores.
    - Most book, department and office supply stores.

    The paper-based brands/types include:

    - DayTimer, DayRunner, Franklin Covey Planner, Rolodex, etc.
    - Government and traditional office planners, calendars, wall charts, desktop schedulers, note pads, spiral notebooks, etc.

- **Electronic-based systems are available from:**
    - Specialty and direct mail-order catalogs and the Web.
    - Computer software mail-order catalogs.
    - Most software, electronic/computer, department, and office supply stores.

    The electronic-based brands include:

    - Black Berry, DayTimer Organizer, Lotus Organizer, MS Outlook, MS Schedule, Seven Habits Tools, Sidekick, Act, Telemagic, etc.
    - Most database programs.
    - Most project management programs.

NOTE: You probably will have to pay for your personal time management, things-to-do, journal system out-of-pocket. Prices for both the paper-based and the software systems are as low as $25 to hundreds of dollars (or even more if you're into exotic leathers and gadgets). You can pay as little as $200 to well over $1k for a really powerful, pocket-sized electronic organizer and of course thousands for lap-tops and portables.

On an austere note, you could create your own system in a spiral notebook or on a note pad if you wanted to, but this isn't recommended.

The paper-based systems come in pocket, wallet, and purse sizes in tape, stapled, wire bound and loose leaf systems measuring 3"x5", 5½"x8½" up to full-sized notebooks at 8½"x11", with thicknesses ranging from ½-inch to 2-inch rings.

NOTICE--This step does not imply endorsement of any of the above brand names nor should the list be considered all-inclusive.

Step 11 Select and purchase your time management, things-to-do, journal system.

- As with any purchase, shop around, compare, ask your colleagues what they use and why, and what has and hasn't worked for them.

USE YOUR TIME MANAGEMENT SYSTEM (Steps 12 - 20)

Step 12 Load and use the various sections and features of your time management, things-to-do, journal system. Whether entering data into your paper-based system, or your electronic system, begin tentatively & easy!

☐ Read whatever suggestions come with the product.

☐ If provided with the product, watch the videotape of how to best use the system.

☐ If available, attend one or more of the company's workshops.

☐ Read some of the current literature on time and project management.

☐ Try the various features that immediately seem useful to you.

☐ Work with the system for a couple weeks before fully implementing any of the sections/features.

☐ Test all the features of your system to ensure they work, or work the way you need them to work.

☐ Alter your use of the various sections/features of your system to best fit your nature, how you communicate, how you store and recall information, how you remember to do things, and how you do your job.

NOTE: Nothing is quite so frustrating and unrewarding as completely copying/ typing in your phone list, recording important dates, loading the calendar with things to remember, copying your goals and objectives, and filling out pages of things-to-do, to later discover a better way to use your system. Or worse yet, finding a system that better suits your tastes, personality, behaviors, character, and nature.

Be forewarned, you **will** make changes. (Consider using pencil.)

Step 13 Load your system up and put it into complete operation.

IF:	THEN:
You are satisfied with your current/new system.	1. Go to Step 14.
You are still not sure.	1. Continue experimenting with your current/new system, (Step 12). **- OR -** 2. Look at other products/methods. 3. Repeat Steps 10 through 12 until satisfied.
You are **NOT** satisfied with your current/new system.	1. Try out other products/methods, (Step 10.) 2. Repeat Steps 10 through 12 until satisfied.

Step 14 Gather all your planning information and important data.

NOTE: Don't panic! You will only extract the dates, deadlines, milestones, and data, that you know to be critical, important, or valuable to your job/life. You have **NO** reason/need to transcribe all these into your system.

Don't include anything in your personal system that you track on your local or the MCCS Management Information System (MIS) or in provided business organizers.

☐ Current program planning documents, (e.g., 5-year plan, base facilities plan, master planning, etc.).

☐ Current short/long-term and/or strategic plans.

☐ Mission statements for your Program and any that affect your Program's activities, events, products, and services.

☐ Approved goals & objectives for your Program and any others that affect your Program's activities, events, products, and services.

☐ Budgets & financial data. (E.g., last year's and current year's budgets; last year's, current year's, and latest financial statements.)

☐ Current staffing data, guidelines, and current authorizations.

☐ Your responsibilities to the Program's facilities, equipment, resources, and supplies.

☐ A prioritized list of your Program's activities, events, products, and services.

☐ Current fees, prices and charges for your Program.

☐ Pending projects plans and dates on facility renovation, repairs, replacements, etc.

☐ Current program activity calendars (or similar scheduling/advertising documents).

☐ Local and system-wide needs assessment results from customer/patron surveys, focus groups, advisory group meetings, etc.

☐ Program evaluation data, lessons learned files, and similar relevant historical records.

☐ Phone lists (e.g., personal, business, network, etc.).

☐ List of important dates for your family, friends, staff, etc. (E.g., birthdays, anniversaries, date of hire, etc.)

☐ Other: ____

Step 15 Incorporate ONLY that which you believe to be valuable to your job/life.

☐ Personal data and dates.

☐ Special dates (anniversaries, graduations, weddings, birthdays, etc.)

☐ Family addresses, phone numbers, data, and dates.

☐ Health and spiritual goals, appointments, locations, purpose, dates and times.

☐ Sports/athletic/fitness appointments, activities, events.

☐ Personal development goals.

☐ Holidays you observe.

☐ Social appointments, locations, purpose, assignments, responsibilities.

☐ Staff addresses, phone numbers, data, and dates.

☐ Networking addresses, phone numbers, data, and dates. (See Task 4.1, Establish and Maintain a Professional Network.)

☐ Delegated assignments and follow-up dates.

☐ Meeting dates/times, locations, purpose, assignments, responsibilities.

☐ Project dates/times, locations, purpose, assignments, responsibilities.

☐ Business goals and objectives. (From strategic and short/long-term plans, approved POA&Ms, etc.)

☐ Program activities/event dates, locations, purpose, assignments, responsibilities.

☐ Renovations/repairs dates (start/end), objectives, purpose, assignments, responsibilities, dates, times, and locations.

☐ Department/command/community special activities/event dates, locations, purpose, assignments, responsibilities.

☐ Conference/workshop dates, locations, purpose, assignments, responsibilities.

☐ Training dates, locations, purpose, assignments, responsibilities.

☐ Business and/or personal financial data.

☐ Performance ratings/staff performance reviews due dates and accumulated data.

☐ Staff development goals and objectives, purpose, assignments, responsibilities, dates, times, and locations.

☐ Staff counseling, coaching and mentoring.

☐ Promises to customers/patrons, staff, and management.

☐ Stand-downs (e.g., inspections, special training dates, etc.).

☐ Other: ____

Step 16 Use your time management, things-to-do, journal system faithfully.

DO THESE WEEKLY:

☐ One day a week (you decide when) review, organize and prioritize your upcoming "A" activities, assignments, responsibilities, and project action items.

☐ Scan ahead in your paper-based system for important dates. (You may need to scan far ahead when very important future activities require significant lead-time to prepare and support the future activity.)

☐ Adjust your weekly time plan to move you in the direction of the balance you are striving for between your work and personal goals and objectives. ("The key is NOT to prioritize your schedule, but to schedule your priorities", Stephen Covey.) Pick a couple and work on them--you can't do all your "A's" at the same time...., otherwise these are probably "C's".

DO THESE DAILY

☐ Each day, review and adjust your daily things-to-do lists, to get your day started.

☐ Prioritize your daily things-to-do into:

- Must-do-first as A1, next one as A2, etc.
- What each staff assignment (beyond their own initiated and known responsibilities) will be.
- What B's to do, if any. (Delegate or put these off when possible.)
- (Dump the "C" junk. File, hold, return, trash, give away, ignore.)

☐ As you complete your A's, scratch them off the list and celebrate. Reward everyone who assisted and ensure your superiors are aware of the accomplishments.

☐ Make and take the important calls. Note the details, time, and time consumed by these calls.

☐ Attend or call the important meetings. Note the details, time, and time consumed by these meetings.

☐ Add activities, assignments, and responsibilities as they crop up. Just be sure you are adding A's, managing B's, and discounting C's.

☐ Block time to coach, counsel, tutor, mentor, and when necessary, confront your staff and then note the details, time, and time consumed by these activities. (These are your valuable A's!, just like the time you spend with customers/patrons.)

☐ Reward your staff's good accomplishments/behaviors on-the-spot, then note the time and details in your journal system. Likewise, record the details of your coaching, tutoring, or confronting of not-so-good accomplishments/behaviors.

☐ Review your system at the end of each workday for closure.

☐ Use your things-to-do, time management, journal system just as faithfully in your private life. Relationship building and meeting/exceeding the expectations of your family and friends are your most important A's!

SOLVE TIME MANAGEMENT PROBLEMS

Step 17 Decide how to solve your time management problems.

IF THE CAUSE IS:	A POSSIBLE SOLUTION IS TO:
Lack of/ineffective goals.	1. See EMC Task 3.1, Prepare Individual Goals and Objectives to draft effective personal and staff goals and objectives. 2. See Task 2.5, Provide Vision, Mission, Goals and Objectives to draft effective business goals and objectives.
Lack of priorities.	1. Focus primarily on your "A's". (These are the hard ones. e.g., diet, exercise, hard projects, relationship building, staff development, planning, etc.) 2. Work on your A1 before other A's. Pieces of A1's finished are far more valuable than any "C" or most B's completely done. 3. Delegate Assignments. (See Task 4.6.) 4. Don't prioritize your schedule; schedule your priorities.
Lack of/ineffective "Things-To-Do" list.	
Phone distractions.	1. Use voice mail/answering devices explaining where you are and when you're available. (Keep this message up-to-date, professional and interesting!) 2. Schedule callbacks for a specific time. 3. Have someone screen calls. 4. Answer phone at designated hours. 5. Call back right before lunch or at the end of the day. 6. Know what to say before you call. 7. Limit your attempts on "callbacks." Throw phone message away when completed. 8. Keep a phone log.
Visitor interruptions.	1. Establish a "quiet hour." 2. Post a schedule listing when you'll be available. 3. Immediately ask the visitor to come back at a specified time. 4. Go to THEIR office, not yours. 5. Talk outside the office or standing up. 6. Tell the visitor you have only so many minutes. 7. Have someone screen visitors. 8. Be blunt! Minimize their control of your time.
Travel.	1. Is the trip necessary? 2. Have someone else travel. 3. Use phone or teleconferencing. 4. Make consolidated trips to accomplish multiple objectives. 5. Have the other end do the traveling to you.
Meetings.	1. Only schedule/attend necessary meetings. 2. Avoid meetings when you can. 3. See ask 1.7, Manage Meetings, Briefings and Presentations.

Continued on next page.

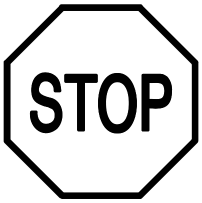
Step 17 (cont.)

IF THE CAUSE IS:	A POSSIBLE SOLUTION IS TO:
Procrastination.	1. Don’t over-schedule. (Under-promise so you can over-deliver!) 2. Do least desirable tasks first, then reward yourself when finished. 3. Use short cuts and automation. 4. Just get it done! 5. Divide big, unimaginable jobs into smaller imaginable pieces. 6. Get help. NOW! 7. Delegate. (See Task 4.6, Delegate Assignments.)
Too much paper.	1. Handle each piece of paper only once. 2. Use a “C” drawer. 3. Write answers on incoming mail. 4. Use self-sticking notes. 5. Throw out junk mail... UNOPENED! 6. Have a separate file for background reading, save it up and read on trips. 7. Have someone screen “need to read” and “nice to read.” 8. Route mail directly to staff and only to those who need to know.., they’re busy, too. 9. Cancel useless subscriptions. 10. Get off mailing lists. 11. For magazines, circle items in table of contents; read only those.
Disorganized.	1. Keep your desk and office organized vice cluttered. Store or dispose of office and desk items and information piles you are not using. 2. Dump or archive files once you complete a job/task. 3. Set aside one or two days each year during slow periods to review and purge your files, desk and office. 4. Work on one item at a time. 5. Keep drawers closed. 6. Use a filing system. (E.g., keep project related files and data together vice generic systems where “Correspondence” is all correspondence, and “Reports” is all reports, etc.) 7. Clean up your office/space frequently..., at least weekly! (See Task 4.5, Get Your Stuff Together.)
Doing too much yourself.	1. Delegate! (See Task 4.6, Delegate Assignments.)

Step 18 Coach your staff on the value of, and how to use, time management techniques.

Step 19 Make changes and adjustments to your time management, things-to-do, journal system as your job and life change.

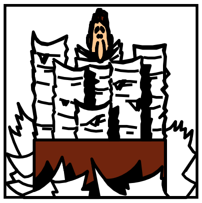
Step 20 As with other tasks in this desk reference, be innovative and flexible! You’ve only got 24-hours every day, do the right things right, the rest will take care of itself.



Congratulations! You’ve completed this task.

MCCS MANAGERS' DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.5



Get Your Stuff Together
(Space and Time Efficiencies)

DO THIS TASK WHEN

- An examination of how you currently use your time reveals opportunities to improve how you use time.
- You want to do things more efficiently and/or effectively.
- The cost of how you do things exceeds the value of your outputs, product, or accomplishments.
- Your methods, practices, and procedures are costing you business or customers/patrons.
- You feel overwhelmed by things-to-do, information, and/or clutter.
- You can't find things when you need to.
- You can't see the surface of your desk or work area or very much of your office/work area floor either.
- A natural disaster would improve your filing system and the appearance of your office/work area, too.

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SUPPLIES/ RESOURCES

- Knowledge and information about your health, fitness, diet, family, relationships, spirituality, personal finances, happiness, community involvement, hobbies, and your personal things-to-do.
- Information about your work life to include:
    - Your Program's and Department's strategic plans and/or short/long-term plans.
    - Your individual and organizational goals and objectives.
    - Applicable command, Program and Department planning documents, schedules, or calendars, including your approved Program Activity Calendars.
    - What you and your staff members are supposed to do on the job, both routinely and infrequently.
- An examination of how you currently use your time.
- A daily journal or things-to-do system of your choosing.
- Typical office supplies.

THIS TASK IS DONE CORRECTLY WHEN

- You are satisfied with your various organizing methods, practices, procedures, tools/equipment, tricks, and habits.
- You are satisfied you have achieved a state of near-optimum efficiency and effectiveness.
- You can identify, from among the many possible things to do, your most important tasks and/or decision processes, vice your urgent and/or lower-order tasks and/or decision processes.
- You regularly prioritize your important tasks, decision processes, and daily-things-to-do.

THIS TASK IS DONE CORRECTLY WHEN (cont.)

- You regularly record and examine your use of time and adjust as applicable.
- You regularly delegate tasks and/or decision processes to your staff to:
  - (1) Develop and motivate them.
  - (2) Free your time to work on more important, higher-level tasks and/or decision processes.
- You have time to focus on and accomplish your important tasks and/or decision processes.
- You are satisfied with the balance in your life among health/fitness, family/relationships, spirituality, hobbies/interests, personal and professional development, community involvement, and work.

NOTES

This Task, Get Your Stuff Together, is a personal and *general*-type task. It will help you compare your methods, practices, procedures and habits to recommended high efficiency ideas or elements about the use of space and time.

As you work through this Task you will have to decide what ideas may be useful to you and how you will implement applicable changes in your life.

Each day has but 24 hours; each year, just 8760 hours. We do not have, nor can we make one speck more time to do every-thing we do--we already use it all.

Despite all the books and articles about time management, we can't "manage" to gain one more second! Therefore, all the thoughts, tips, tricks, and techniques about "managing time" are really about managing self.

NOTES (cont.)

Much of our use of time and space is habitual. Therefore, effective use of time and space is an exercise of self-discipline and of changing personal habits and behavior.

Once a habit is identified, it usually can be changed within 2 weeks. It's your choice--stay the same, or improve.

This Task is about examining and modifying habits.

The Steps have you:

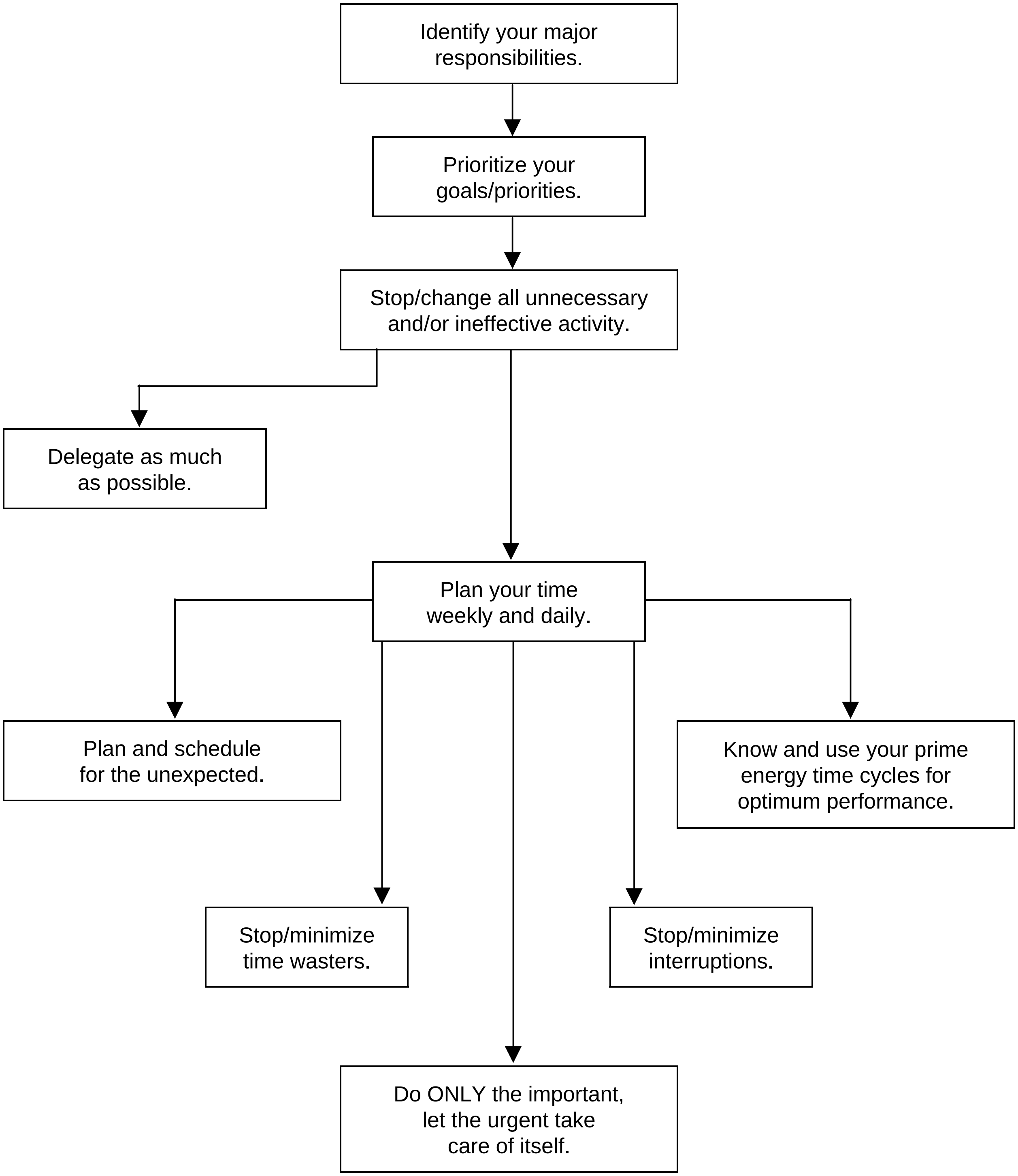
- Evaluate the effectiveness and efficiency of how you currently do things.
- Identify ideas you believe will improve your use of time and space.
- Prepare, prioritize, implement, and maintain your personal change plans.

A model of what this Duty tries to do is provided on the next page.

"Getting organized isn't a spot check -- it's a way of life!"

Jeff Olson, Getting Organized, 1997

GET ORGANIZED:
A model for personal organization.


Identify your major responsibilities.
Prioritize your goals/priorities.
Stop/change all unnecessary and/or ineffective activity.
Delegate as much as possible.
Plan your time weekly and daily.
Plan and schedule for the unexpected.
Know and use your prime energy time cycles for optimum performance.
Stop/minimize time wasters.
Stop/minimize interruptions.
Do ONLY the important, let the urgent take care of itself.

PROCEDURE

Step 1 Decide whether you want/need to improve your use of time and space.

IF:	THEN:
You are satisfied that your present methods, practices, and procedures result in **all** of the following: • Best use of time. • Maximum efficiency and effectiveness. • Balance in all aspects of your life.	Great! **Stop here**.
You are confident there is **NO** room for improvement in your use of time and space, in your methods, practices, and procedures, or in general, your life.	Ooookay..? 1. Quit your job. 2. Relocate to Arizona or Florida. 3. Say goodbye to friends and family because, like the dinosaurs, you're dead -- you're just not buried yet. **Stop here**.
You want to do **any** of the following: • Ensure your use of time and space results in maximum return on investment (ROI). • Examine ideas to improve your overall efficiency and effectiveness. • Examine ideas to become better organized/ balanced. • Examine ideas to minimize effort while maximizing results. **-OR-** You believe, "There must be a better way".	Well, okay then! Continue with Step 2.

Step 2 Read steps 3 and 4 before recording any information for Step 3.

> **NOTE:** It's a good idea to quickly review all the Steps in this Task before continuing. That way, you will know where you are headed.

Step 3 Record your principal beliefs.

☐ Record these on blank paper or in your computer.

☐ Answer the question, "In what do I believe?"

> **NOTE:** To achieve significant, positive, and long-lasting results from this Task, you first need to reflect on who you are and in what you believe and value.
>
> Your identification of beliefs and values must be thorough and honest, but it need not be as exhausting as a science project.
>
> You may be wondering, "Why do I need to examine my values and beliefs just to organize my office?" And a good wonder that is!
>
> Popular research says that the changes we attempt to make in our habitual processes and patterns must align with our principal beliefs and values. If not, we most likely will be (or become) uncomfortable, unhappy, or dissatisfied with the change and will probably return to our old habits.
>
> And an added benefit: As adults and citizens of our country, state, and community, it's therapeutic, interesting, and important to periodically think about, examine and even challenge our beliefs and values.

Example Beliefs:

I believe in:

- A fair day's work for a fair day's wages.
- Equal pay for equal jobs.
- Separation of church and state.
- States rights.
- The Constitution.
- Equal employment opportunity.
- The sanctity of marriage.

Step 4 Record your core values.

☐ Record these on a blank piece of paper or in your computer.

☐ Answer the question, "What do I really value?"

NOTE: The note in Step 3 applies to this Step.

Example Values:

My core values include:

- Honesty.
- Ethics.
- Fair play/fairness.
- Respect.
- Credibility.
- Faithfulness, etc.

Additional values are listed in EMC Task 5.1, Model Exemplary Behavior: Walk-Your-Talk, Step 2.

Step 5 File your list of beliefs and values in your personal journal or time management system. You will use these to complete this Task and for other MCCS Manager Tasks, too.

Step 6 Make a copy of the Get Your Stuff Together Quick Assessment Survey located on pages 4.5.17 through 4.5.19.

☐ Answer the four questions for each category of the Quick Assessment Survey.

☐ Circle 1 for Yes, 0 for No.

☐ Add your total score for each section.

☐ Transcribe your totals to the table on page 4.5.19.

NOTE: These quick assessments are provided to help you focus on an "area" instead of completing ALL the detailed, self-evaluation questionnaires that follow.

Step 7 Determine areas for improvement.

☐ Note those categories for which you had a total less than 2.

☐ Choose one of those categories to begin working on immediately.

NOTE: If you identified more than one category, you may want to work on only one category at a time, otherwise you might find it overwhelming.

You will be more able to choose a category after completing Step 8.

When you have made sufficient improvement in one category, you can begin working on another one.

Step 8 Examine your chosen category.

☐ Locate and make a copy of the Managing Priorities Self-Evaluation corresponding to your chosen category.

FOR CATEGORY:	**LOOK ON PAGES:**
Managing Priorities.	4.5.23 - 4.5.25
Planning and Scheduling.	4.5.27 - 4.5.33
Managing Work Environment.	4.5.35 - 4.5.41
Managing Time.	4.5.43 - 4.5.59
Balance Your Life.	4.5.61 - 4.5.63

☐ Use the rating scale and directions on page 4.5.21 to complete the Self-Evaluation questionnaire you have chosen.

☐ After completing the Self-Evaluation, return here and follow the remaining Steps in this Task.

Step 9 Gather “trusted” feedback on your personal ratings. (Put on your thick skin--this Step is a tough one!)

☐ Identify at least one of the following people to help you:

- A “trusted” staff member.
- A “trusted” colleague/peer.
- A “trusted” friend or family member.
- A “trusted” supervisor/manager immediately above you.

☐ Ask whomever you select to do one of the following:

- Rate you on each of the ideas and elements (or specific ones) on a blank copy of the self-evaluation questionnaire.

- OR -

- Review and provide feedback on your ratings.

NOTE: You will have to “judge” a number of things to accomplish this Step which include:

- How well you can take criticism? The outcome of this Step will most likely result in some differences that you will probably interpret as criticism.

- Whether anyone knows you well enough too fairly rate your abilities and performance.

- Whether anyone trusts you well enough to provide an honest assessment of your abilities and performance.

Skip this Step if you can’t take the feedback or if you have no one who can give you a trusted, knowledgeable review, and safe feedback. It’s your call!

If you can take the heat, this Step will significantly improve your chances to improve your use of time and space and become better organized. Others see you as you are, while you see yourself, as you believe you are.

You must be willing to (1) Ask, and (2) LISTEN! The best mirror, though harder to gaze into, is a social mirror. Our own personal mirrors are seldom completely in focus.

Step 10 Change your ratings, if applicable, based on your feedback from your trusted colleagues.

Step 11 Highlight each item on the self-evaluation questionnaire(s) that you rated 3 or lower.

Step 12 Write an abbreviated form of each highlighted idea/element on a separate Post-It© Note.

Step 13 Prioritize the items you rated 3 or lower by placing and rearranging the Post-It© Notes on a chart easel, chalk board, wall, etc.

- ☐ Prioritize, as number one, the idea/element you believe would most improve the way you organize and/or use time and space.
- ☐ Prioritize, as number two, the idea/element that would next most improve the way you organize and/or use time and space.
- ☐ Continue rearranging your ideas/elements until you have prioritized them all.

Step 14 Prepare a prioritized list of the ideas/elements on blank paper or in your computer.

Step 15 Compare your prioritized list to your list of beliefs and values.

- ☐ Delete (or at least delay) any idea/element that does not align with your important beliefs and values.
- ☐ Be skeptical about implementing any of these unless your beliefs and/or values change. (Refer to notes in Step 3.)

Step 16 Write a goal for each of your top five ideas/elements.

☐ Do this on blank paper or in your computer.

☐ Ensure each of these five goals describe how you will be different with regard to how you organize or use time and space.

EXAMPLE:

Goal #1 To recover 2-hours per week to redirect to more important tasks.

Goal #2 To retire with a minimum of $1 million in assets by age 60.

Step 17 Write objectives for each goal.

☐ Do this on blank paper or in your computer.

☐ Ensure your objectives:

- Describe what you must do to accomplish the goal.
- Clarify focus and direction to the goal.
- Are measurable and observable.
- Describe who, what, when, where, and how.
- Are realistic, achievable, and time limited.
- Are written clearly and succinctly.

Step 18 Place a check mark by, or highlight your first five prioritized ideas/ elements.

Step 19 Merge these goals and objectives with your personal and professional goals and objectives.

Step 20 Record your five goals with objectives in your daily journal, things-to-do list, or somewhere where you will read them each day.

NOTE:
- Keep these (like all goals and objectives) visible.
- When visible, you are much more apt to take action than just thinking about stopping, starting, or doing something differently.

Step 21 When you accomplish one of these goals, delete it (scratch out/check-off) from wherever you recorded it.

Step 22 Celebrate accomplishing one of these important goals! Share your success and do something to reward yourself.

Step 23 Retrieve your file copy of the prioritized list of ideas/elements.

Step 24 Write a goal with objectives for the next idea/element on the prioritized list of ideas/elements.

☐ Place a check by, or highlight the idea/element.

Step 25 Record the next goal with objectives in your daily journal, things-to-do list, or wherever you will review them each day.

Step 26 Repeat Steps 23 through 25 until you have exhausted your list of ideas/ elements that you believed would improve your use of time and space.

Step 27 Review your overall progress at least once every 90-days.

☐ Review your original self-evaluation questionnaire.

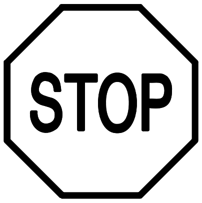
- Have your organizing methods, practices, and procedures and/or your use of time and space changed sufficiently to alter your ratings?

IF YOU NOW RATE YOURSELF:	THEN:
Higher.	No action is necessary other than congratulations! ☺
Lower.	1. Add new items/elements to your prioritized list. 2. Reprioritize as applicable. 3. Repeat Steps 15 through 17 for this/these new item(s)/element(s).

☐ Review your original prioritized list of organizing/time-management ideas/elements.

- Have any of the priorities changed? If YES, promote the highest priority idea/element to the top of the list and complete Steps 16 and 17.

Step 28 After you feel you have made sufficient progress in your chosen category, begin working on the next one.



Congratulations! You've completed this task.

Get Your Stuff Together
Quick Assessment Survey

Answer each question in the five categories. Circle 1 for Yes, 0 for No. Add your total score for each section and write it in the appropriate spot.

Managing Priorities			
		Yes	No
1.	I know the difference between important and urgent as defined by Stephen R. Covey, Ph.D.	1	0
2.	I am clear at all times about my manager's expectations for my performance and conduct.	1	0
3.	I prioritize my next day's things-to-do at the end of each day.	1	0
4.	I am able to, and do, say "No" to requests that are unimportant as often as possible.	1	0

Total Score: ________

Planning and Scheduling			
		Yes	No
1.	I write and use goals and objectives that are observable, specific and measurable.	1	0
2.	I change my goals and objectives when my job/duties change.	1	0
3.	I take a few minutes to plan every day, either the night before or the morning of.	1	0
4.	I set deadlines for completing tasks, even when a deadline has not been established for me.	1	0

Total Score: ________

Get Your Stuff Together
Quick Assessment Survey (cont.)

Managing Work Environment

		Yes	No
1.	I regularly eliminate clutter in my work and personal spaces.	1	0
2.	My desk/work area and my office/work space are laid out and organized so I do not waste time looking for things I need.	1	0
3.	I have a system for handling paper.	1	0
4.	I have a system for managing and routinely cleaning up my computer files.	1	0

Total Score: ________

Managing Time

		Yes	No
1.	I have a time management system that I use at all times, such as a personal planner, computerized scheduling system, etc.	1	0
2.	I have a system in place for reading work-related materials effectively and efficiently.	1	0
3.	I can immediately think of at least five time wasters in my work life and I know how to eliminate them.	1	0
4.	I consider others' time before assigning tasks, making requests, forwarding literature, calling meetings, and sending e-mail.	1	0

Total Score: ________

Get Your Stuff Together
Quick Assessment Survey (cont.)

Balance Your Life			
		Yes	**No**
1.	I feel that I have a healthy balance between my work life and my personal life.	1	0
2.	I am as adamant about living up to my personal commitments as I am about my work commitments.	1	0
3.	I am able to set, expect and obtain high performance standards from others without spending excessive time trying to make things “perfect”.	1	0
4.	I am able to set, expect and achieve high performance standards for my own work without spending excessive time trying to make things “perfect”.	1	0

Total Score: ________

Transcribe your total scores from each section to the table below:

Section:	**Total:**
Managing Priorities.	
Planning and Scheduling.	
Managing Work Environment.	
Managing Time.	
Balance Your Life.	

Use the following five point rating scale to complete any of the self-evaluation questionnaires on pages 4.5.23 through 4.5.63.

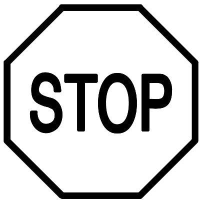
(1)	😠	I either don't do this at all (but should), or I need lots of improvement.
(2)	☹	I need some improvement.
(3)	😐	I am about average at this.
(4)	🙂	I am OK at this, but could still use a little improvement.
(5)	😁	I am great at this! I could teach others how to do it.
NA		This element/method does NOT apply to me.

MANAGING PRIORITIES
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**IMPORTANT VS. URGENT**	😠	☹	😐	🙂	😁	
1.	I know my important requirements/responsibilities--the reasons for which I was hired. (Things I can't delegate.)						
2.	The way I organize and use my time and space prevents the "urgent" from crowding out the "important".						
3.	I make the best use of my limited time by knowing what I am supposed to do.						
4.	The way I organize and use my time and space ensures nothing "important" is missed or neglected.						
5.	I question each new task with, "Is this the next most important thing I can do?"						
6.	I stretch my thinking, by working/interacting outside my comfort zone.						
7.	I extend myself into areas that require new skills, knowledge, and/or ability.						
8.	I examine my paradigms before just saying "NO" to a new idea and before continuing with "how we've always done it".						
9.	I am absolutely clear at all times about my organization's direction and my Program's/ Department's vision, mission, and guiding principles.						
10.	I am absolutely clear at all times about my organization's direction and my manager's/supervisor's expectations for my performance, behavior, conduct, customer service, and quality standards.						
11.	Each member of my staff is clear about my expectations for their performance, behavior, conduct, customer service, and quality standards.						
12.	I keep things simple by keeping the unimportant out of my life.						
13.	I regularly, yet tactfully, say, "NO" to everything that is not important to the Program, Department, organization, and to me, my family, my health, and to my community.						
14.	I ensure maximum efficiency and effectiveness by doing the right things right, the first time, and every time.						

MANAGING PRIORITIES
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**SETTING PRIORITIES**	😠	☹	😐	🙂	😁	
1.	I prioritize my next day’s things-to-do at the end of each day.						
2.	I use an “A”, “B”, C” prioritization system like the following: • Identify important (A’s) vice Urgent (B’s). • Decide what I’ll delegate. • Categorize Things-To-Do into A’s, B’s, C’s. - A - Important; not urgent (e.g. planning). - B - Important and urgent (e.g., staff scheduling). - C - Neither Important/Urgent (e.g. shuffling paper). • Sort A’s into a priority of A-1, A-2, A-3, etc. • Sort B’s into a priority of B-1, B-2, B-3, etc. • Sort C’s into a priority of “who cares?” C-1, C-2, C-3, etc. • Delegate lowest value/importance A’s. • Work on highest value/importance A’s. • Delegate all B’s if possible. • Do B’s when no A’s left. (Does this ever really happen?) • Don’t do C’s. I..., - Ignore them. - Throw them away. - Send them back to wherever they came from. - If I’m concerned that a “C” has a slight importance, value, or visibility, I give it to lowest ranked person on my staff who can get the chore accomplished.						



Stop! You have completed the Managing Priorities Self-evaluation.
Go to Step 9 of this Task.

PLANNING & SCHEDULING
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**GOALS & OBJECTIVES**	😠	☹	😐	🙂	😁	
1.	I write and use goals and objectives that are observable, specific, and measurable for all aspects of my personal and professional life to include: • Family, friends, and relationships. • Diet, health, and fitness. • Spiritual well being. • Personal finances. • Education, intellectual pursuits, self-development. • Leisure, recreation, hobbies, travel and sports interests. • Happiness, joy, relaxation. • Community responsibilities and volunteering. • Career/professional development and responsibilities.						
2.	I use goals and objectives because I know this is the best way to identify what's important and to make good decisions.						
3.	I select and work on just one or two objectives in each major goal area knowing that working on more than that could become overwhelming.						
4.	I am not afraid to change my goals and objectives.						
5.	When preparing objectives, I specify my most important outcomes/accomplishments, not activities.						
6.	I keep my goals and objectives visible and regularly reviewed and updated with my progress and applicable changes.						
7.	I regularly negotiate my objectives with my immediate manager/supervisor and update them as we agree.						

PLANNING & SCHEDULING
SELF-EVALUATION

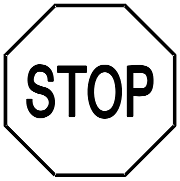
Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**USING SYSTEMATIC APPROACHES**	😠	☹	😐	🙂	😁	
1.	I use the following systems model for my projects and assignments: I define (restate) the project/assignment in my own words and in terms of outcomes/accomplishments.						
2.	I outline briefly how the team and I will do the work/get it done.						
3.	I identify who will do what.						
4.	I check with my immediate manager/supervisor to ensure alignment with his priorities.						
5.	I plan the work in detail.						
6.	I set milestones.						
7.	I meet with the team and make assignments.						
8.	I use applicable project management tools to ensure project details are accomplished on time.						
9.	I do the work of the projects/assignments.						
10.	I facilitate project progress meetings only as needed to keep everything progressing smoothly.						
11.	I review the work and adjust as needed. I stay on top of everyone involved, knowing people have a tendency of finding other things to do.						
12.	I evaluate the results and process.						
13.	I record lessons learned.						
14.	I systemize routines as much as possible to reduce errors.						

PLANNING & SCHEDULING
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**APPOINTMENTS, DEADLINES, and MILESTONES**	😠	☹	😐	☺	😁	
1.	I regularly set deadlines for my important tasks, even when a deadline isn't already established.						
2.	I realize deadlines and time lines are very motivating.						
3.	From time to time, I move up my deadlines--it panics me into superior performance and quality.						
4.	Once set, I adhere to my deadlines.						
5.	From time to time I challenge myself by setting a time limit, then seeing if I can beat it. I find this to be particularly effective when the task is recurring. I imagine becoming the new champion of the world at _____ with a new world record of ____!						
6.	I don't let things "just" happen to me; instead, I schedule appointments and set deadlines to make things happen.						

PLANNING & SCHEDULING
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		1	2	3	4	5	NA
NO.	**PLANNING & SCHEDULING**	😠	☹	😐	🙂	😁	
1.	I take five minutes to plan my day, everyday.						
2.	I block appointments for myself to do my important tasks and I don't let anyone interrupt these important appointments.						
3.	I block time on my calendar to take care of my "to-do" items.						
4.	I never block out the entire day or week. I try to plan and schedule about 60-70% of a day knowing that interruptions, my own social/personal needs, and other superfluous things will fill in the rest.						
5.	I do not over-plan.						
6.	I ensure each day's scheduling includes time for planning, talking, reading, thinking, and relaxing.						
7.	I prioritize and plan. This activity lets me reap the maximum benefit from minimum time investments.						
8.	I plan vice operate from crisis-to-crisis.						
9.	I regularly recollect, reflect, and plan... I believe these are keys to bringing and maintaining order to my life.						
10.	I know that planning holds the key for relieving the stress of "too little time". It is through planning that I sanely structure my future.						
11.	I use planning and job aids to bring consistency, quality, and order to my life. I don't spend more time charting, recording, chronicling, and studying than doing!						
12.	I plan for both the long-term (monthly) and the near-term (weekly).						
13.	I draft next week's plan at the close of the previous week.						
14.	I have contingency plans for every important task. I ask: • What could go wrong? • When and how will I know? • What will or can I do?						
15.	I schedule my daily activities to maximize my prime energy periods. • I work on important tasks/steps when at my peak. • I work on the low-value items when at my ebb.						



Stop! You have completed the Planning & Scheduling Self-evaluation.
Go to Step 9 of this Task.

MANAGING WORK ENVIRONMENT
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**CLUTTER & MOTION**	😠	☹	😐	☺	😁	
1.	I regularly eliminate clutter in my work and personal processes.						
2.	I don’t say, “I’ll organize that later”; later is ALWAYS worse! Instead, I do what ever it takes, now.						
3.	I minimize mental clutter by always focusing on the outcomes/accomplishments.						
4.	I avoid repetitive motion/duplication of effort whenever possible. I remain conscious of opportunities for movement efficiencies.						
5.	I plan ahead to benefit from economies rather than waiting for more costly last minute/emergency production, repair, handling, shipping, over-time, etc.						
6.	I organize my tools, equipment, and supplies for optimum availability and convenience and to minimize the need for unique or repetitive motion.						

MANAGING WORK ENVIRONMENT
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**WORK ENVIRONMENT**	😠	🙁	😐	🙂	😁	
1.	My office/work area is arranged for maximum efficiency with regard to ergonomics, color, sound, lighting, decoration, FF&E, security, safety, HVAC, personnel traffic patterns, etc.						
2.	My desk/work area is of sufficient size to handle the typical size of my tasks.						
3.	My desk/work area and my office/work space are laid out and organized so I do not waste time looking for things I need.						
4.	My desk/work area and my office/work space are laid out and organized to ensure the free and normal flow of materials?						
5.	I keep my desk free of everything except the one thing I'm working on and the tools, equipment, supplies, and resources necessary. (The only other things on my desk are my personal belongings like family photos, a plant, etc.)						
6.	I keep my active project information in files on top of my desk's surface.						
7.	I ensure all necessary supplies, equipment, and tools are located for efficient use.						
8.	I work on one thing at a time.						
9.	I hold to a minimum, the wasted motion and time of start, stop, work on something else, return, start, stop, etc.						
10.	I use a first in/first out (FIFO) system for all applicable supplies in storage.						
11.	I minimize inventory, using a "just-in-time" system.						
12.	I get rid of "stuff".						
13.	I keep everything clean and maintained.						
14.	I ensure everything has a place--and everything is returned to its place immediately after it's been used.						
15.	If it is in my hand, I commit to put it down finished or where it is supposed to be kept. (I minimize handling things!)						

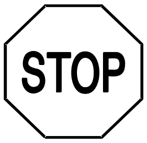
MANAGING WORK ENVIRONMENT
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**FILES, FILING, & HANDLING PAPER - 1**	😠	☹	😐	☺	😁	
1.	I handle paper in a systematic manner, such as: 1. Asking, "Do I (or does anyone) really need to read or act on this?" If no, I dump it. 2. Asking, "Do I (or does anyone) really need to keep this?" If no, I dump it. 3. Sending it on it's way with a note from me on a routing slip when I think someone else needs to read it or act on it. 4. Writing an appropriately prioritized thing-to-do when I decide I need to act on it. (When the appropriate action is immediate, I take care of business, otherwise I work it into my work stream.) 5. I file it appropriately when I think it is something I really need to keep. (When this is an update of something I currently hold, I properly dispose of the older edition. 6. I recycle vice trash! 7. I deal with all of my paper in this manner everyday. 8. I only process paper in this manner during my low-energy cycles.						
2.	I've established a ruthless system for handling paper. Paper gets to be in my hand one time and one time only, period! After which it goes to the trash, to someone else, or into a file of relative information.						
3.	I keep my files organized into projects and subjects relative to the nature of my job and in alphabetical order. I've found that without an automated cross-reference index, there is nearly no value or utility to filing chronologically.						
4.	When naming files and/or setting up a filing "system", I don't follow anyone's suggestions but my own. I try to name files something descriptive and distinctive that will stick in my mind.						
5.	If I have trouble finding a file, I rename it something more memorable when I finally do find it.						
6.	Since I have an assistant that moves my paperwork, I have 1 in-basket and 1 out-basket only. I do not have a "hold" basket or any other "extra" baskets. Using these is just fooling with my head.						
7.	I label all folders, binders, boxes, shelves, cabinets, lockers, racks, drawers, etc so the contents are clearly indicated.						
8.	At least twice a year, I go through my files, drawers, shelves, bins, cabinets, etc., and get rid of everything I can't make a MAJOR argument to hold onto.						

Continues On Next Page

MANAGING WORK ENVIRONMENT
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**FILES, FILING, & HANDLING PAPER - 2**	😠	☹	😐	☺	😁	
9.	I purge files routinely. I've discovered that in this day and age, with the glut of information available, I probably receive an updated version of everything I have several times a year.						
10.	When I can't find something I really need, I use the Web, other automated services, and traditional information services to find what I need. This is faster than hunting for it, and usually more up to date.						
11.	I take my purge times to review and update my filing "system". I eliminate little-used categories; add needed categories; and confirm the alphabetical filing of the items I keep.						
12.	If an item appears appropriate to more than one category, I make a copy of one page of the information/article and write a note on the page telling me where I can find the original. I place the copy in one of the category file folders, and the original in the other.						
13.	As with my paper files, I take the time at least every 3 months to review and purge my computer files.						
14.	I maintain a series of "samples" files. These files contain recurring letters, memos, reports, ads, orders, art work, press clippings e-mails, etc. It's much easier to copy/modify than to create!						
15.	I maintain a file of checklists and job aids that facilitate infrequently performed tasks that are: • Risky or dangerous. • Complicated and/or difficult. • Very important. • Very visible. • Have potential for significant cost. • Have potential for significant gain/income.						
16.	I keep an automated tickler file to remind me of upcoming due dates.						
17.	I keep a list of things I have loaned/checked out.						
18.	I keep my property records up-to-date.						



Stop! You have completed the Managing Work Environment Self-evaluation.
Go to Step 9 of this Task.

MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**MEETINGS**	😠	☹	😐	🙂	😁	
1.	I exhaust all other communication methods and media, BEFORE calling a meeting.						
2.	I start my meetings on schedule, whether or not all invitees are present.						
3.	I end my meetings on schedule with a summary of milestones, agreements, accomplishments, assignments, and promises.						
4.	When preparing to conduct a meeting, if possible I avoid inviting people I know to be: (1) Showoffs. (2) Fundamentally negative/argumentative. (3) Unable to stay on track. These type people waste valuable meeting time while frustrating other participants.						
5.	As a meeting invitee, I confirm that I absolutely *must* attend. I don't go if not needed, otherwise I: • Arrive on time prepared to participate. • Don't take the meeting off track. • Don't prolong the meeting unnecessarily. • Don't use the meeting to socialize. • Take care of my "follow-ups" by placing it/them on my things-to-do-list with an appropriate priority.						
6.	If I know I typically don't get any value from a meeting, I stop attending, whenever I can.						
7.	I don't wait more than 10 minutes for people to show for meetings, lunch dates, etc. If they are late, I return to whatever it is I need to be doing.						

MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**READING**	😠	☹	😐	🙂	😁	▨
1.	I use the following system to read effectively and efficiently: I scan the contents.						
2.	I circle or highlight items in the contents or index that have bearing on my job, Program, field, or that interests me.						
3.	I decide when to read. If an article is a mandatory or required read, I take care of business. If the article seems really important, I do the next step. If it seems it will be a good read, but one I should read later, I mark it as such in the contents and place the article, magazine, newsletter, etc., in my read pile.						
4.	I go directly to those pages only.						
5.	I first read the titles and subtitles, scan the sidebars, and read the last paragraph. If the article still seems relevant or applicable, I read it, if not, it's toast!						
6.	When I hit points of value in the article, I highlight them.						
7.	I then review my highlights to decide if I should take action. If yes, I jot down a plan of action with milestones.						
8.	If the appropriate action is immediate, I take care of business. Otherwise I work it into my work stream. (Sometimes my action is to share the article--if so, I do so with a note.)						
9.	When the article is a "keeper", I tear it out, staple the pages together, and file appropriately in my filing system. I won't do this unless I'm certain it's a "keeper", otherwise I know I'm just going to toss it later.						
10.	I keep one read pile, and only one.						
11.	I read my "information-only" mail while commuting, at the end of the day, or after my daily things-to-do are done. I also read this type material during meals if I'm alone.						

MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**OTHER'S TIME**	😠	☹	😐	🙂	😁	
1.	I fight the urge to force reading on others.						
2.	I don't print and route/share e-mails unless it's mandatory the e-mail be read by others.						
3.	I don't add people to my distribution list unless they absolutely must read what I am sending.						
4.	I look for reasons to take people off of my mail, e-mail, and other distribution lists.						
5.	I help others not waste my time, while fulfilling their personal needs.						
6.	I visit staff in their offices, cubicles, work areas. I minimize inviting people to visit me at my office/work area.						
7.	When the gist of what I want to talk about is general BS and not related to work, I ask the person I am about to interrupt if he has a moment.						
8.	I fill my social needs during lunch breaks, break-time discussions, and after-hour activities such as sports events, clubs, and similar group gatherings.						
9.	I remain conscious of my conversational partners. If they seem anxious, glance at the time, stand, write or type, or make calculations unrelated to our conversation, I end our conversation allowing them to resume their work.						

MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**TIME WASTERS - 1**	😠	☹	😐	🙂	😁	▨
1.	I use one or more of the following methods to avoid interruptions: • I work behind a closed door. When in a cubicle, I put tape on the floor and signs saying, Sorry, I'm out of the office working on an important project." (Even though I'm sitting right there.) • I stay at a home a few hours to accomplish some quality work on an important job/task, vice going to work and being interrupted. • I come in before hours/early to accomplish some quality work on an important job/task, vice going in on time and being interrupted. • I come in late and then stay late to accomplish some quality work on an important job/task. • When folks come into my office/work area to visit, I stand to handle business--this usually minimizes their "visit" time. If they persist, I excuse myself to go to the bathroom, lunchroom, etc., or I politely ask them to permit me to return to my work. • I try to be tactful with my "visitors". After a few brief pleasantries, I thank them for stopping by, but tell them I really must get back to what I was working on. • I find somewhere else in the building to work. When I do this, I let my immediate supervisor know what I'm doing, where I'll be, and for how long.						
2.	I avoid procrastination: • I schedule what I've got to do. • I just gut it out and get started. • I work. • And I finish, period!						
3.	I avoid these three common self-generated time wasters: • Lack of organization. • Procrastination. • Inability to say, "NO!"						
4.	I practice task completion! I avoid flitting from one thing to another while finishing nothing!						

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MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**TIME WASTERS - 2**	😠	🙁	😐	🙂	😁	
5.	I know precisely what I can do each moment that will contribute to our Program, Department, organization, and/or to my community, family, etc.						
6.	I use a model such as the following to make decisions quickly: • I define the problem clearly and in my own terms. • I make certain I am treating the real problem, not its symptoms. • I gather as much appropriate information as I can. • I set a time limit on how much data I gather. • I analyze the information. • I formulate a solution/opinion/decision. • Then I take a stand. Even if I'm wrong, it's better than indecision.						
7.	I don't play phone tag. I make an appointment by telling the person calling a specific time I will be available.						
8.	I don't wait for people who are lagging in their commitment to finish work I need – I bug them regularly.						
9.	I don't let people waste my time with visits, unnecessary meetings, unnecessary e-mail, pointless data calls, etc.						
10.	I don't waste other people's time with unnecessary visits, meetings, e-mail, pointless data calls, etc.						
11.	I don't want the extra paperwork (junk), so I get off every mailing list that has no value to my life or job.						
12.	I don't want the interrupting calls, so I get off of every cold calling/marketing list that has no value to my life or job.						
13.	I stop all duplicate advertising (junk mail).						
14.	I ask (actually I demand) that junk e-mailers (spammers) remove me from their address books/lists.						
15.	I try not to waste my time.						
16.	I tell my friends, family, and colleagues the types of e-mail correspondence I do not wish to receive at home and at work.						
17.	I stop/cancel all magazines, newspapers, newsletters, book clubs, tape/CD clubs, etc., I no longer want/need.						

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MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**TIME WASTERS - 3**	😠	☹	😐	🙂	😁	
18.	I feed opportunities and starve problems. I won’t try to shore up failing methods, practices, processes, or procedures by wasting good people and resources on them.						
19.	I don’t encourage my staff’s or colleague’s poor planning or execution by saying YES to every request to help. They would only learn one thing--I’m an easy mark!						
20.	Whenever I have to waste time waiting on someone or something, I do something useful, interesting, or self-developing. (I return calls, finish small tasks that I must do vice delegate, read and file, and especially, PLAN!)						
21.	When I don’t get feedback on reports I regularly submit, I stop submitting them. If they are really important (or really used) someone will let me know!						
22.	I don’t look at things that don’t concern me. I’m never worried about being “out of the loop”.						
23.	I know that work culture robs time. Examples are: • Time-wasting meetings. • Too much paper. • Useless (unused) reports. • Useless (unused) information. • Cumbersome admin procedures. • Complicated organizational structures. • Excessive/unnecessary routing/chop/review and approve requirements. • Too little bias for effective action. • Too much bias for reaction. • Over reaction to insignificant events. • Activity for the sake of activity. • Information-less (valueless) e-mails (communications).						

MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**TIME EFFICIENCIES - 1**	😠	☹	😐	🙂	😁	
1.	I practice effective use of time by: • Listing and prioritizing my weekly goals & objectives. • Using a prioritized daily things-to-do list. • Always starting with my "A" projects: A1, A2, A3, etc. • Handling every piece of paper only once. • Asking myself, "What is the very best use of my time, right now?" • Not procrastinating--I do it now.						
2.	Since I currently use all of my time, I know that to add (accomplish) something important, I must subtract something. So I look for these choices: • Discontinue lower-priority/value tasks. • Get someone else to do part or all of one or some of my tasks. • Become more efficient in what I do/how I do it.						
3.	I don't attempt to do too much. I know my limits and I try to stay well within them.						
4.	I don't do things someone else on my staff can/could do better. I know my strengths and weaknesses and I leave my ego at the door.						
5.	I know how to differentiate between responsibility, accomplishment, and activity.						
6.	I ensure everything I do results in accomplishment vice activity.						
7.	I focus on innovation, looking for new/different things I can do to improve my Program, business or office.						
8.	I focus on problem solving; that is, what impediments I can remove to facilitate better operations.						
9.	I don't strive for perfection! It's costly, rarely required, sucks up time, and is seldom recognized, appreciated, and/or rewarded. I know what is "good enough".						
10.	I read about space and time management looking for ways to improve. I realize space and time management is a personal process, which must be adapted to my personal style and to the situations within which I operate and live.						
11.	I take risks. I know that over-checking, excessive analysis, waiting for absolute consensus/concurrence, and looking for the "perfect moment", just wastes time.						
12.	I am realistic and use caution when the risk of financial loss, injury, property damage, environmental damage, asset loss, or reputation injury is significant enough to warrant in-action/excessive examination. Otherwise I act!						

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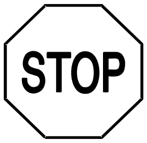
MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**TIME EFFICIENCIES - 2**	😠	☹	😐	🙂	😁	
13.	I delegate as often as possible.						
14.	I train, coach, counsel, and mentor each member of my staff to ensure each can work independently of me in all routine matters.						
15.	I test current responsibilities, tasks, and assignments for: • Necessity. (To discontinue low-priority/low-value tasks.) • Appropriateness. (To give to someone else.) • Efficiency. (To become more efficient.)						
16.	I maximize automation opportunities and seek new/better ways to do my job/things.						
17.	I keep everything up to date.						
18.	I coordinate the work and efforts of my group/team among one another and amongst the other departments in our organization.						
19.	I avoid duplication of effort.						
20.	I communicate effectively by: • Listening to understand. • Testing my understanding. • Testing my listener’s understanding.						
21.	I use my commuting time effectively--I don’t just commute!						
22.	I try to be proactive vs. reactive.						
23.	I use fax, phone, e-mail, mail, and videoconference over travel--it saves time and costs tons less!						
24.	I do not attend unnecessary luncheons, conferences, briefings, and business functions.						

MANAGING TIME
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**TIME MANAGEMENT TOOLS/ORGANIZERS**	😠	☹	😐	🙂	😁	
1.	To track how I use my time, I periodically use a time log, whether paper or electronic.						
2.	I keep track of the important things I have to do in my things-to-do list/day journal or similar scheduling device, whether paper or electronic.						
3.	I keep track of *when* I need to accomplish my important tasks in my things-to-do list/day journal or similar scheduling device, whether paper or electronic.						
4.	My personal organization system works well for my type job. (Rate what you use to keep track of your things-to-do, what you've done, your schedule, your appointments, how you use your time, your important personal and professional information, etc.)						
5.	My personal organization/schedule info is all in ONE place.						
6.	The way I manage my things-to-do list works for me. (Rate how well you use and maintain your things-to-do system.)						



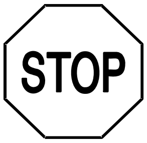
Stop! You have completed the Managing Time Self-evaluation.
Go to Step 9 of this Task.

BALANCE YOUR LIFE
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**BALANCE YOUR LIFE**	😠	☹	😐	☺	😁	
1.	Deciding what I want out of all areas of my life is my first and most important step in getting organized. I have a personal system that identifies what is important to me.						
2.	I do not attend business functions at the expense of spending time with my family.						
3.	I consciously balance my time among: (Rate how well balanced your life is.) • Family, friends, and relationships. • Diet, health, and fitness. • Spiritual well being. • Personal finances. • Education, intellectual pursuits, self-development. • Leisure, recreation, hobbies, travel and sports. • Happiness, joy, relaxation, interests. • Community responsibilities and volunteering. • Career/professional development and responsibilities.						
4.	I rest, relax, eat properly, exercise, regularly pursue hobbies and interests, and have fun.						
5.	I set time aside every day to free my mind and let the magic of the subconscious work.						
6.	I have fun at work and in my personal life.						
7.	Everyday, I intentionally decide how happy I am instead of allowing my environment, situations, and circumstances to make the decision.						
8.	I keep my eye on where I am at all times, both near and far.						
9.	My every choice and every action is based on the understanding that life is something I control--not something to just get through!						
10.	I try to control and minimize the sheer number of things I do.						

BALANCE YOUR LIFE
SELF-EVALUATION

Elements/Ideas (Rate how well you do each of these.)		**1**	**2**	**3**	**4**	**5**	**NA**
NO.	**STANDARDS & PERFECTIONISM**	😠	☹	😐	🙂	😁	
1.	I begin each task with a clear understanding of the applicable conditions and standards of performance and behavior for the tasks and the necessary accomplishment(s) of the task. I realize my time may be wasted with either excessively high standards (perfectionism) or less than acceptable standards.						
2.	Before starting a task, I ask, "What are the appropriate results of the task?						
3.	I ensure my investments in quality (perfection) do not exceed the cost of potential error.						
4.	I am aware that the personal costs of excessive perfectionism are very high.						
5.	I avoid placing unrealistic or excessively high standards on myself at work and at home.						
6.	To me, quality means getting the job done according to standards and on time. It does not mean all the bells and whistles.						
7.	I know that my "knowledge work" is not defined by quantity or cost--it's defined by the quality of its results.						
8.	I focus on results (outcomes/accomplishments). This helps me work faster--I get more done.						



Stop! You have completed the Balance Your Life Self-evaluation.
Go to Step 9 of this Task.

MCCS MANAGERS' DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.6

Delegate Assignments

DO THIS TASK WHEN

- An examination of how you use your time suggests delegation will improve your use of time.
- You have some tasks/decisions you could delegate.
- You want to motivate your staff and/or keep them motivated.
- You want to increase the skill, knowledge, abilities, and responsibilities of your staff.
- You are assigned to lead a team in which you must delegate.

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- MBO-II, A System of Managerial Leadership, George S. Odiorne, Fearon Pittman, Belmont, CA, 1979.

- Managing Management Time, William Oncken, Prentice Hall, Inc., Englewood Cliffs, NJ, 1984.

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SUPPLIES/ RESOURCES

- Your Program's and department's vision and mission statements.

- Your Program's and department's strategic plans and/or short/long-term plans.

- Applicable command, Program and department planning documents, schedules, or calendars including your approved Program Activity Calendars.

- Up-to-date position descriptions for each staff position, including yours.

- A current examination of how you use time.

- Typical office supplies.

THIS TASK IS DONE CORRECTLY WHEN

- Delegating gives you additional time to concentrate on important management/supervisory activities, including:
  - Meeting your customers'/patrons' wants and needs.
  - Developing yourself and your staff.
  - Solving and preventing problems.
  - Managing your Program, business or office.
  - Completing projects.
  - Improving your Program's activities, events, products, and services.
- Delegating helps you prioritize your job and personal requirements, assignments, and responsibilities.
- Delegating helps you and your staff do the right things at the right time.

NOTES

This task describes when, what, how, and why you should delegate.

Before we start delegating, let's examine some givens. Your work day is full to overflowing, correct? And your staff's workdays are full also..., right?

Hmmm? So, let's see....

(1) You begin this Delegating Task with no time to get your work done each day?

(2) Therefore, you have no spare time to delegate?

(3) And besides, your staff members' days are so full, none of them could take on any more anyway..., right?

Well, the research says: "naaaahhh!"

NOTES (cont.)

Without delving deeply into Business 101; 80/20 theories; work-stress effects; time-motion studies; or parental imprinting mumbo-jumbo, let's just agree that we each spend some time each work day doing things we really like and enjoy--time that, quite frankly, is of minimal value to what we *should* be doing. That being agreed, we can conclude that we all have at least a "little" time we could dedicate to delegation--be we the delegator or the delegatee.

So, with "some available time" as a given, let's find out how we can delegate ourselves and our staffs into sustained superior performance, peak efficiency, measurable effectiveness, increased productivity, extraordinary customer service, improved morale, and increased enjoyment (value and worth) in what we do at work.

One of the frequent causes of time management problems for managers/supervisors is lack of delegation. Most managers/ supervisors "came up through the ranks" and got ahead by doing it themselves. You remember the old adage, "If you want it done right, do it yourself!" Many managers/supervisors still believe this is true.

It may, be true--you may be the most qualified person to do it the way you want it done. That doesn't mean it couldn't be done just as well another way. As a manager/supervisor you can't possibly do everything yourself. You MUST learn to delegate whether you are comfortable with it or not. You also owe it to your people to let them learn.

A "fear" for many managers/supervisors, who are pushed by workload or management to delegate, is that they are giving away their job..., (and their power and control). The research says, "get over it"!

NOTES (cont.)

Delegation does NOT mean abdication.

(1) You do not lose, nor can you give up/delegate away, your command and control.

(2) You do not give up responsibility--that remains with you as the manager/supervisor.

Effective delegation prepares your staff to work responsibly and independently of you when carrying out their daily tasks and making their routine decisions.

Those routine assignments you must give your staff from time to time are not delegation. And the work each staff member does within the scope of their position is also not “delegated” work.

Delegation is when you assign a staff member to take over one of your recurring responsibilities, tasks, or decision processes. Delegating should have two primary goals:

(1) Free up your time to focus on more important tasks or decision processes.

(2) Develop, enrich, and motivate the staff member to whom you are delegating the assignment.

In this task we dispel delegation myths; test your willingness to delegate; show you what, when, and why to delegate; how to select delegatees; how and what delegatee performance to monitor, what to coach, what to leave alone, and more.

If you are a one-person show, delegating may not seem applicable, but it’s not impossible. “Huh?” you say. No really, with a little imagination you may be able to delegate back up the supervisory chain as well as laterally to other folks in your work system.

PROCEDURE

Step 1 Identify reasons you don't "currently" delegate.

I don't delegate because:

☐ I don't know how or what to delegate.
☐ I don't have time to delegate.
☐ My staff members don't have enough time to do their own job, much less take over parts of mine.
☐ I believe if you want something done right, you're better off doing it yourself.
☐ It takes longer to explain how to do a job than it does to just do it.
☐ I don't like surprises--I want to know what my staff members are doing at all times.
☐ My staff members can't/don't/won't do correctly that which they are supposed to do now, much less do my stuff too.
☐ I deserve and want credit for the things I do.
☐ I like doing the things I do--I don't want to give them away.
☐ My boss won't let me turn any of my job functions over to my staff.
☐ I don't think my staff would be willing to take on the additional work.
☐ I tried delegating before, but I just got hammered when they (the staff) messed things up.
☐ I'm paid to do the thinking--"they" are paid to do the working!
☐ If "they" know how to do my job, I might be replaced.
☐ I don't need any of my time freed up--I already have plenty of free time.
☐ We have a well-greased machine here--I don't want or need to delegate.
☐ Other: ______________________________

NOTE: You will probably think of other reasons NOT to delegate, like you'd rather have dental surgery without anesthesia. But if you checked any of the above reasons (except the last two), the next Step of this Task is for you.

If you checked either of the last two: *"don't need free time"/"well-greased machine"*, your road as a manager/supervisor will most likely be fraught with significant difficulties.

Whether you're a committed delegator or a delegation pessimist, read through this Task--you'll be glad you did. ☺

Step 2 Dispel typical delegation myths by turning the negatives you agreed with in Step 1, into positive action(s) or belief(s).

Myths:

MYTH:	TRUTH:
"I don't know how to delegate" or, "I don't know what to delegate."	*Fair enough; read the remainder of this Task and give the procedure a fair chance.*
"I don't have time to delegate." and/or "My staff members don't have enough time to do their own job, much less take over parts of my job."	*The elimination of time-wasters and discovery of more valuable use of time is what delegation can accomplish--so read on.*
"If you want something done right, you're better off doing it yourself." "It takes longer to explain how to do a job than it does to just do it." "I don't like surprises--I want to know what my staff is doing at all times."	*You have some serious "control" issues to examine and get over. Who would do these things if you were unable to return to your job? Answer: Someone else--count on it! Read on.*
"My staff members can't/won't/don't do correctly that which they are supposed to do now, much less do my stuff, too."	*Sounds like you have training, incentive, and/or motivation problems and responsibilities. See possible solutions in Duty 6.0, Manage Staff.*
"I deserve and want credit for the things I do." "I like doing the things I do--I don't want to give them away."	*Also fair enough, but how motivated might some of these make your staff? And while they are accomplishing your more challenging (motivating) tasks, you can spend quality time on things that will make huge improvements or contributions to your command, department or Program, business or office for which you and your staff will be recognized and rewarded.*

Continued on next page.

STEP 2 (cont.)

MYTH:	TRUTH:
"My boss won't let me delegate my job functions."	*"This does happen and if TRULY the case, you will have to delegate carefully and quietly. And you won't delegate anything your manager/supervisor watches closely or 'worries' about."*
"I don't think my staff would be willing to take on the additional work."	*We doubt this to be fact, and besides, you won't know until you try. In fact, studies indicate that most people enjoy worthwhile challenges and growth opportunities. Worthwhile means significant and valuable, not chump chores and mundane garbage-- delegating is not dumping!*
"I've tried this before, but I just got hammered when they (the staff) messed things up."	*Well, if they messed up, you probably didn't prepare them sufficiently to do the task you delegated or you selected a staff member who was truly not ready for the level of accomplishment you assigned. And if you got hammered, you've got a communication/ negotiation problem with your boss. (See EMC Task 1.6, Communicate for Win-Win Results.)*
"If they know how to do my job, I might be replaced."	*Nonsense! The more they (your staff) are able to do and the more you do, the better you all look and the better you all are!*
"I do the thinking, they do the working!" "I don't need any of my time freed up--I already have plenty of free time." We have a well-greased machine here--I don't want or need to delegate.	*Whoa! If you believe these, you need to delegate just enough of your tasks so you can begin job hunting or applying for early retirement, because you're probably on your way out and just haven't been notified yet.*

Step 3 **Test your willingness/readiness to delegate.**

☐ Make a copy of the “Should You Delegate?” quiz on page 4.6.11.

☐ Take the test to decide if you should delegate.

☐ For each question, circle the number which comes closest to your answer on a rating scale from “Frequently” (1) to “Rarely” (5).

☐ Total your circled numbers and record the total at the bottom of each column.

☐ Compare your “Readiness To Delegate” score to the information provided on the page following the form.

SHOULD YOU DELEGATE?

QUESTIONS:	**Frequently**	**⟷**			**Rarely**
1. When you return from being away from the office, do you find yourself buried in a backlog of work?	1	2	3	4	5
2. Do you regularly take work home?	1	2	3	4	5
3. Do you spend a lot of time doing/re-doing your staff members' jobs?	1	2	3	4	5
4. Do you still do many of the things you did before you got promoted?	1	2	3	4	5
5. Do you seem to have too many irons in the fire?	1	2	3	4	5
6. Do you find it difficult to find the time to spend 30 minutes each day for planning?	1	2	3	4	5
7. Do you rush to meet deadlines?	1	2	3	4	5
8. Do you find it difficult to find the time for self-development?	1	2	3	4	5
9. Do you do tasks yourself rather than explain them to someone else?	1	2	3	4	5
10. Do you NOT delegate for fear of being disliked?	1	2	3	4	5
11. Do you work longer hours than others?	1	2	3	4	5
12. Do you get involved in the details of tasks your people are doing?	1	2	3	4	5
TOTAL THE VALUES CIRCLED IN EACH COLUMN:					

TOTAL OF THE SUMS AT THE BOTTOM OF EACH COLUMN

= ____________
(From all columns.)

(See next page to determine your readiness to delegate.)

Step 4 Using your score "Total" from the "Should You Delegate?" quiz, determine how willing you are to delegate.

IF YOUR TOTAL WAS:	THEN:
40 or more.	You are probably okay about delegating now.
39 or less.	You have a great opportunity to delegate **more**.

NOTE:	Regardless of your score, the research says most managers and supervisors SHOULD delegate much more than they do!

Step 5 Make a list of everything you do (tasks and decision processes) on the job.

☐ Keep this list simple--just outline the key things you do on the job.

☐ Don't forget all your recurring tasks/decisions like preparing reports, conducting or attending meetings, calling in/preparing recurring orders for supplies/products, answering phones, e-mails, in-basket stuff, etc.

NOTE:

If you have not yet "studied" how you use your time, we encourage you to stop here, and complete Task 4.4, Manage Your Time and Things-To-Do. Task 4.4 details a procedure to record and study everything you do each day and how long it takes you to do each thing you do.

You will be able to use that data in this Task when identifying what you "may" be able to delegate. Plus, the data will give you information for your delegatee on how much time to expect to accomplish a delegated task/decision.

Task 4.4 will help you identify things you should NOT or don't need to do and can most likely stop doing.

Task 4.4 also focuses your attention on those tasks that are your most important, not most urgent! (Remember, if you keep abreast of your important tasks, the urgent ones are minimized or don't exist.)

Step 6 Highlight tasks/decisions in your list of things you do on your job that you may be able to (or want to) delegate.

☐ Don't highlight everything you don't like doing. You are not going to motivate your staff very much if you give them all of your "junk" jobs. (We all have some junk jobs!)

☐ Consider highlighting *recurring* tasks/decisions like:

- Preparing reports and/or correspondence.
- Attending/conducting meetings.
- Inspecting facilities/equipment.
- Answering phone calls.
- Processing/screening in-coming mail.
- Conducting new staff orientation and training.
- Researching vendors/products.
- Preparing purchase requests or other procurement documents.
- Researching trade journals/newsletters/industry information.
- Conducting program-specific brainstorming and planning sessions.
- Monitoring/supervising program execution.
- Facilitating post-program activity/event evaluations.
- Preparing after-action reports/briefings.
- Preparing publicity/promotion information.

☐ Don't highlight tasks/decisions you must do because of law, regulation, policy, or local operating procedures.

☐ Don't highlight tasks/decisions you must do because you manage/ supervise staff. (E.g., hiring, firing, discipline, performance review, etc.)

☐ Don't highlight the tasks/decisions your boss "requires" that you alone accomplish.

☐ Don't highlight tasks/decisions regarding/involving confidential or proprietary information, processes, or outcomes.

☐ Don't highlight tasks/decisions that would be politically inappropriate for you to delegate.

☐ Don't highlight tasks/decisions that you perform very infrequently.

Your fundamental challenge to each task on your list of things you do on your job should be: *"Must I personally do this?"*

Step 7 Have each staff member list what they do on the job.

- Before you start this, explain why they are making a list.
- Tell them to keep their lists simple and to record everything they do on the job.

> **NOTE:** Remember that we began this Task with two assumptions: (1) You have time to delegate. (2) Each of your staff members has time to do more or different things.
>
> But this Task gives you several options/opportunities for improving use of time besides simply stuffing more into a workday. These include: (1) Ensuring you are doing what you need to be doing--what's really **important** (A's-jobs) vice what's **urgent** (usually someone else's "A's" and your "B's" or your immediate feedback/ rewarding but valueless "C" jobs). (2) Ceasing tasks/decisions that do not have purpose or add value to the activities, events, products and/or services provided by your Program, business or office.
>
> One of your important roles as manager/supervisor is ensuring everyone (not just you) is doing only important, worthy things.
>
> Therefore, you should direct your staff members to cease tasks that aren't important or do not add value.

Step 8 Ask each staff member to review his list with you.

- You may remember details they miss.
- This is a good opportunity to ask each staff member three questions:

  (1) What new or different things would you like to do and why?

  (2) What do you regularly do, that you believe/feel you/we don't need to do and why?

  (3) What do you regularly do that you think should be done differently? Why and how?

Step 9 After studying how you use time (Task 4.4) and reviewing your personal list of things you do on your job, stop doing things that are *not important* and/or *do not add value* to your Program, business or office.

NOTE: This will free up some of your time to accomplish/make some higher-value, higher-impact, higher-order tasks/decisions for your Program.

Step 10 After reviewing their lists, tell your staff to stop doing things that are *not important* and/or that *do not add value* to the Program, business or office.

NOTE: This will free up staff member time allowing them to accomplish/make some higher-value, higher-impact, higher-order *delegated* tasks.

Step 11 Select, from your highlighted list of delegation possibilities, those things you will actually delegate.

☐ After discarding/ceasing all of the “who cares?, not important, no value” chores, delegate as many of your time-robbing chores as you can.

☐ Select high value “B” tasks and even your “A’s” that you are not absolutely required to accomplish. Remember, unaccomplished “C’s” usually have no impact on your Program, business or office other than they may worry you to death.

☐ Delegate any assignment or project you believe can be done better by another staff member, whether in your staff or in another Program, business, office, or department.

☐ Keep only the highest priority tasks/decisions and delegate everything else you can.

☐ Do not delegate planning and strategizing, but do share these tasks. (Two heads are usually better than one.)

NOTE: This step assumes you already apply extraordinary time management techniques to everything you do. Don’t delegate tasks and decisions no one needs just because they’ve always been done.

Step 12 Pick the right person.

☐ Don't just dump on the nearest warm body and don't delegate work solely because you dislike doing it.

- A general rule of thumb is to delegate to the most junior person who can most likely get the job done. (There's an obvious economy in this approach as it frees up staff members above him to do higher-order tasks and/or make higher-order decisions.)

☐ Determine the staff member's readiness:

> **NOTE:** In Dr. Paul Hersey's Situational Leadership model, we all find ourselves in different stages of performance "readiness".
>
> The following four stages of readiness result from our skill, knowledge, ability, experience (practice), and authority with any new/different performance "situation".
>
> We are all found on and typically move through the following capability and readiness continuum:
>
> - Unable and Unwilling (Insecure).
> - Unable but Willing (Confident).
> - Able but Unwilling (Insecure).
> - Able and Willing (Confident).

☐ Ensure the delegatee has the necessary skill, knowledge, and ability to get the task done.

☐ Make sure the delegatee has the necessary "clout" to get the task done or make the decision. Be prepared to empower the delegatee to solve problems by thinking for him instead of operating solely by policy (SOP) or the way it's always been done! (See Task 4.7, Empower Your Team/Staff Members.)

☐ Some tasks or decisions should be delegated laterally to a colleague. Be prepared to help him. (This type delegation will call on your negotiation skills. Refer to EMC Task 1.6, Communicate for Win-Win Results.)

> **NOTE:**
>
> - Be prepared to delegate tasks/decisions even when you are feeling you are being the "bad" guy by making these assignments.
> - **Be fair**. Fair is more valuable to the organization and your staff, than being nice and seemingly popular.

Step 13 Determine your level of involvement with each delegatee.

Based on your assessment of each staff member's readiness, decide which of the following three levels of involvement are appropriate for the task or decision process you are going to delegate.

☐ **Level 1** Delegate by what is to be done and how to do it, but leave the staff member some degree of freedom on the rate of work and quality control.

☐ **Level 2** Delegate by what is to be done but leave the staff member free to decide how to do it, at what rate, and within what quality range.

☐ **Level 3** Delegate by what is to be done but leave the staff member free to decide what to do to get there, how and at what rate to do it, and within what quality range.

NOTE: The previous definitions of the three Levels of Delegation are Copyright protected by Practical Time Management, Marion Hayes, Crisp Publications, Los Altos, CA, 1991.

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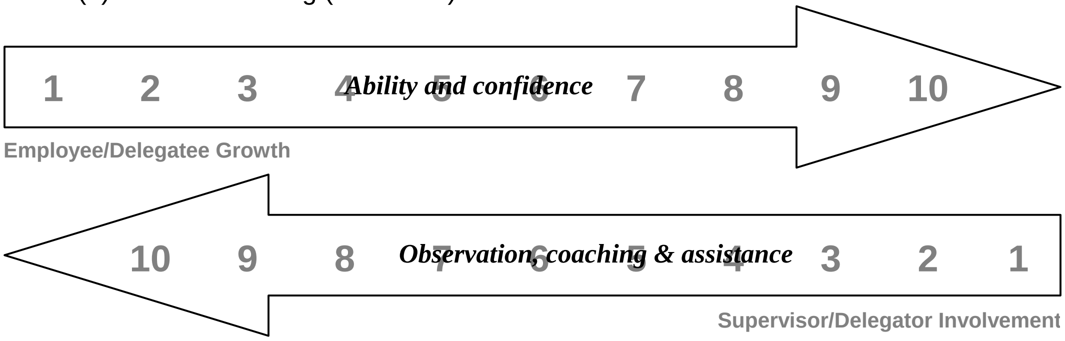
-- !!IMPORTANT!! --

The more complex, difficult, risky, costly, sensitive, and/or visible a task or decision process, the more you may need to be involved with the delegatee, until he or she has moved to and demonstrated Able and Willing (Confident).

With all delegated tasks, you will move your observation, coaching, and assistance away from the delegatee as he moves through the continuum from:

(1) Unable and Unwilling (Insecure), to
(2) Unable but Willing (Confident), to
(3) Able but Unwilling (Insecure), and finally to
(4) Able and Willing (Confident)


1 2 3 4 5 6 7 8 9 10
Ability and confidence
Employee/Delegatee Growth
10 9 8 7 6 5 4 3 2 1
Observation, coaching & assistance
Supervisor/Delegator Involvement

Step 14 **Be prepared to explain the following to your delegatee:**

☐ Why you selected him to accomplish the task or decision making process.

☐ How he will benefit.

☐ How successful accomplishment will affect or reflect on the installation, department, and/or Program.

☐ What to do and when accomplishment is due or expected. (Based on what you decided in Step 13.)

☐ Applicable limitations. (Financial, authority, time, distance, etc.)

☐ Who is involved in the task/decision and who is affected by the task/decision?

☐ Reporting and communication requirements, if any. (Based on what you decided in Step 13.)

☐ Standards of performance, particularly the level of detail/quality expected of the accomplishment.

☐ His level of authority and autonomy. (Based on what you decided in Step 13.)

☐ Applicable references and points of contact.

☐ Your expectations and confidence in his ability.

NOTE: Do not tell the delegatee HOW to do the task or make the decisions.

Be ready to answer questions, not take back the assignment.

Step 15 Establish delegation "performance contracts" with your staff members.

- Ensure your "performance contracts" ensure you and the delegatee understand and agree on the who, what, when, where, why, and standards (how well) of these new tasks or decision processes.
- Ensure your "performance contracts" include a discussion and agreement as to the value to the staff member, the organization and to you, and how you will help, guide, and reinforce their performance.
    - Research indicates that performance contracts will often improve individual staff morale and help identify promotable staff members.
    - Over time, performance contracts will also increase program productivity, effectiveness and efficiency.

NOTE: This Step does not result in a legal document. You should both have and keep a simple outline or brief Plan of Action and Milestones to which you both agree.

Step 16 Establish a reporting and feedback schedule for newly delegated tasks and/or decision processes.

- The staff member won't feel thrown out in the cold and you won't feel like you're in a vacuum while the staff is working merrily away at "something?"
- You won't get blind-sided by reports of staff short-comings or inadequacies.
- You will remain proactive vice reactive.
- You will know better when to coach, when to tutor, when to mentor, and if necessary, when to counsel/confront.
- You will remain interactive and helpful. **WARNING, don't micro-manage.**
- You establish an accountability that provides an environment of safety and trust between you and the staff member.

Step 17 Periodically evaluate progress and results.

Confirm the following:

☐ You got or are getting the desired results.

☐ Answer questions as needed, but don't hand-hold.

☐ Refocus as needed, but don't take back the delegated job.

☐ Resist your strong temptation to "tamper" with or take back the delegated job.

☐ Do NOT micro-manage the delegated task/decision process, or for that matter any of your staff's routine work/decisions.

Step 18 Say, "No, but thanks" to all attempts at reverse-delegation attempts by your staff to return your delegated tasks back to you.

- Instead of having staff members delegate their problems to you (leave *their* monkeys on *your* back), coach them to handle these problems.
- Ask how they should and will handle their problems and anxieties vice you rushing in and saving them at every bump in the road.

NOTE: From time-to-time your staff may need you to do something they do (reverse delegating).

It's your call…you can do it once, take it on permanently, say no, reassign to another staff member or elsewhere, or eliminate the task altogether.

Step 19 Coach for improvement, as needed. (See Task 4.8, Coach, Counsel, Tutor, and Mentor.)

☐ Reward successes.

☐ Positively shape and reinforce performance.

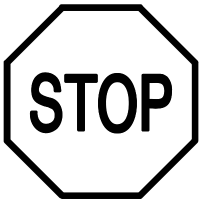
☐ Improve the skills and knowledge of your staff through frequent coaching, tutoring, mentoring, and formal training and education opportunities.

☐ Once you empower a delegatee, don’t punish his best efforts when his best effort results in a miss. Instead, use the “miss” to coach him to better future decision making, performance, and problem solving.

☐ Once the staff member demonstrates improved abilities, delegate increased responsibility.

Step 20 Be aware of delegated tasks from above and from your colleagues.

- ☐ Don't delegate laterally to colleagues in other areas unless you are willing to help them too.
- ☐ Tactfully return any assignment or project that you know should be done by your immediate supervisor/colleagues.
  - ☐ Review your current workload and qualifications with your immediate supervisor.
  - ☐ Ask your immediate supervisor/colleague to brainstorm/consider alternatives to complete this assignment/task. He/she will have to make the tough choice of what doesn't get done while this delegated task does get done.
- ☐ If you have to do the task, ask for help.



Congratulations! You've completed this task.

We have only 24 hours each day to do everything we need or want to do.
We cannot manage time--we can only manage ourselves.

SHOULD YOU DELEGATE?

QUESTIONS:	Frequently ⟷ Rarely				
1. When you return from being away from the office, do you find yourself buried in a backlog of work?	1	2	3	4	5
2. Do you regularly take work home?	1	2	3	4	5
3. Do you spend a lot of time doing/re-doing your staff members' jobs?	1	2	3	4	5
4. Do you still do many of the things you did before you got promoted?	1	2	3	4	5
5. Do you seem to have too many irons in the fire?	1	2	3	4	5
6. Do you find it difficult to find the time to spend 30 minutes each day for planning?	1	2	3	4	5
7. Do you rush to meet deadlines?	1	2	3	4	5
8. Do you find it difficult to find the time for self-development?	1	2	3	4	5
9. Do you do tasks yourself rather than explain them to someone else?	1	2	3	4	5
10. Do you NOT delegate for fear of being disliked?	1	2	3	4	5
11. Do you work longer hours than others?	1	2	3	4	5
12. Do you get involved in the details of tasks your people are doing?	1	2	3	4	5
TOTAL THE VALUES CIRCLED IN EACH COLUMN:					

TOTAL OF THE SUMS AT THE BOTTOM OF EACH COLUMN

= ____________

(From all columns.)

MCCS MANAGERS' DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.7

Empower Staff/Team Members

DO THIS TASK WHEN

- Leading, managing, supervising, and guiding your Program, business or office staff throughout each day.
- Ensuring your staff members have applicable and adequate authority to do their jobs correctly.
- You become aware of unnecessary barriers to staff performance.
- You delegate tasks/responsibilities to your staff.
- Helping your staff improve how customers/patrons and senior leadership perceive your Program, business or office.
- Helping your staff *improve/change* the activities, events, products, or services the Program, business or office provides.
- Helping your staff *improve/change* your facilities, grounds, vehicles, property, machinery, equipment, supplies, or operational procedures.

REFERENCES

- Zapp! The Lightning of Empowerment, William C. Byham, Ph.D., Random House, Inc., New York, NY, 1988.

SUPPLIES/ RESOURCES

- All official instructions and policies that are *specific* to your Program, business or office.
- Access to all official instructions and policies that are *general* to your Program, business or office. (E.g., personnel, payroll, accounting, supply, procurement, budget management, fiduciary responsibility, safety, etc.)
- An up-to-date vision and mission statement that includes the values, beliefs, guiding principles, goals, and objectives of your Program, business or office.
- Staff members who possess the talent, skill, knowledge, ability, capability, and commitment to meet/exceed your customers'/patrons' needs and expectations.
- A culture that motivates your staff members to meet/ exceed the customer/patron expectations.
- Clean, attractive, and safe facilities and grounds appropriate for the delivery of extraordinary activities, events, products, and services.
- Top quality equipment, appropriate resources, and supplies and inventories in sufficient quantities to deliver extraordinary activities, events, products and services.
- Current Program, business or office performance data. (E.g., financial data, patronage/participation numbers, bottom line figures, profit figures, cost per user, customer/patron satisfaction scores, etc.)
- A recording tool/device such as a daily planner, notebook, an electronic Personal Data Assistant (PDA), or a tape recorder to record your observations of actual staff performance/behavior, your perceptions, and your customer's/patron's comments, etc.
- Computer with word processing software.

THIS TASK IS DONE CORRECTLY WHEN

- You and your staff know what your customers/patrons want in the way of activities, events, products, and services.

- You and your staff know what your customers/patrons expect in the way of staff skill, knowledge, abilities, capabilities, professionalism, behavior, customer/patron service, and courteous professional treatment.

- You `and` every member of your staff know what you can and cannot do according to official and local policy, rules, and regulations.

- You have trained, equipped, and authorized your staff to answer customer/patron questions, solve their problems, and meet their needs.

- You have removed all unnecessary barriers to delivering your activities, events, products, and services.

- You have trained and equipped your staff to create customer/patron *loyalty* at every opportunity where loyalty is their willingness to continue being served by and to speak well of you, your staff, and your Program, business or office.

- You and each of your staff can articulate your role in and your responsibility to Marine Corps: (1) recruitment, (2) retention, (3) readiness, and (4) attrition reduction, and (5) providing extraordinary customer service.

- You and each member of your staff **avoid**, at all costs, any need to prove that your Program, business or office is “right” and the customer/patron is “wrong”. *Instead, you and your staff members, choose to be flexible, to create win-win results, and to never be “dead right”!*

NOTES

This Task provides guidance to help you empower your staff, provide extraordinary customer service, solve problems, and to do the right things at the right time.

Empower (From the MS Encarta Dictionary)

em·pow·er [em pówər] (*past* **em·pow·ered**, *past participle* **em·pow·ered**, *present participle* **em·pow·er·ing**, *3rd person present singular* **em·pow·ers**) *transitive verb* **em·pow·er·ment**, *noun.*

1. **give authority to somebody:** to give somebody power or authority (*often passive*).
2. **inspire somebody with confidence:** to give somebody a sense of confidence or self-esteem.

One of your important responsibilities as a supervisor or manager is ensuring your staff members are empowered to do their jobs--that is the focus of this Task.

A recent multi-year study conducted by the Gallup Organization analyzed relationships between employee attitudes and critical business outcomes including profitability, customer loyalty, and employee retention.

The study, based on more than 100,000 employees across 2500 business types in 12 industries, identified the following attitudes as paramount to a successful Program, business or office.

Staff members:

1. Know what is expected of them.
2. Have the necessary materials and equipment to accomplish their work correctly.
3. Have opportunities at work to do the tasks, duties, chores, etc., they do best.

NOTES (cont.)

4. Receive regular and timely recognition and praise for doing good work. ("Regular" averaged to within the past seven days.)
5. Know someone (a manager/supervisor) cares about them as a person.
6. Has someone (a manager/supervisor) who encourages their personal and professional development.
7. Have someone (a manager/supervisor) who has talked to them (the employee) within the past six months about their progress.
8. Sense their opinions count.
9. Feel their job is important.
10. Know their colleagues are committed to doing quality work.
11. Have a "best friend" at work.

Think how "empowering" each of these eleven conditions is. As you use this Task, you will find others.

Two major components are necessary for you to empower your staff and to achieve extraordinary customer service.

- The first is a well-conceived, well-organized, and well-run business.
- The second is in how you prepare, develop, assess, respect, and treat people.

It's no more complicated than that. These are covered in the MCCS Managers' Desk Reference set and in your EMC Desk Reference.

Empowerment is a process that typically goes hand-in-hand with delegating, but in this Task you'll see empowerment in a larger view.

NOTES (cont.)

Successful and effective empowerment is based largely on your knowledge and experience in MCCS.

You must know:

- What the rules say you and your staff can and can't do.
- How to run your Program, business or office effectively, efficiently, and competitively.
- What your customers/patrons want, need and expect.
- How to train, develop, guide, and supervise your staff as they accomplish the purpose and mission of your Program, business or office.
- How to remove barriers that prevent your staff from doing their jobs effectively and efficiently.
- How to give each of your staff members the authority (freedom) to do his/her job correctly.

Your two empowerment goals are to:

(1) Give your staff/team members the authority (your authorization and permission) to do the right things, at the right time, correctly.

(2) Inspire your staff/team members by ensuring they have applicable skills and knowledge; an appropriate work environment; effective incentives and accountability; and the confidence to do a good job every day, every time.

This Task will help you accomplish these two goals.

PROCEDURE

EMPOWERMENT SURVEY (Steps 1 - 4)

Step 1 Make a copy of the survey provided on pages 4.7.9 and 4.7.11.

Step 2 Answer all of the questions on the survey.

- If you are unsure about any of your responses, ask a trusted friend what he/she believes to be the correct response regarding your Program, business, office, you, or your staff.
- Discuss your differences, if any.

NOTE: Answering the questions in this survey is like playing Solitaire, only you know the truth.

Step 3 For each **"NO"** answer, read the suggested remedy at the Step listed in the right hand column of the survey form. (As with all Desk Reference guidance, you must *"choose"* to take action and decide what to do.)

NOTE: Remember that "empowering" is giving your staff the permission, authority, skill, knowledge, and confidence to do their jobs correctly.

Every action you take to change your "NO" answers to "YES" answers can become "empowering" to one or more of your staff and perhaps to you.

Step 4 Use the remainder of this Task (Steps 5 - 28) to do everything you can to "free" yourself and your staff members to do the right things, at the right time, every time!

NOTE: Being "empowered" is to be "freed". It is having the opportunity to do your job the best you can, "free" of the burdens of UNNECESSARY rules, policies, procedures, practices, etc. (This doesn't mean there are NO rules or that having no rules would be empowering!)

Being empowered includes:

- Having the skill and knowledge of what to do.
- Knowing what you are supposed to do and when.
- Knowing how well you are supposed to perform and how you are expected to behave.
- Knowing how your performance will be measured.
- Having systems and regular feedback that reward and reinforce.
- Having the confidence that you can perform correctly.
- Knowing you will receive positive, supportive, and effective guidance to correct mistakes or to help improve your performance and/or behavior.
- Knowing you won't be ZAPPED for trying!

Empowerment Survey:

Page 1 of 2

#	Questions	YES	NO	If NO go to Step #
1.	Do you have all official instructions and policies that apply to your *specific* Program, business or office and access to those that apply to the *general* areas of MCCS? (E.g., personnel, payroll, accounting, supply, procurement, budget management, fiduciary responsibility, safety, etc.)			**5**
2.	Do you routinely/frequently read/review the official policies, rules, and regulations that apply to your Program, business or office?			**6**
3.	Do you know what you can and cannot do in accordance with official and local policies, rules, and regulations?			**7**
4.	Does your staff know what they can and cannot do in accordance with official and local policies, rules, and regulations?			**8**
5.	Do you know everything you are supposed to do?			**9**
6.	Does each member of your staff know everything he/she is supposed to do?			**10**
7.	Do you routinely read books, magazines, newspapers and/or web-based articles about leadership, management, interpersonal communication, staff development, problem solving, finance, business operations, etc.			**11**
8.	Do you routinely/frequently network with your local colleagues, regional MCCS peers, and your Headquarters' Program Manager?			**12**
9.	Do you know what your customers/patrons want in the way of activities, events, products, and services?			**13**
10.	Do you know what your customers/patrons expect in the way of staff skill, knowledge, abilities, capabilities, professionalism, behavior, customer/patron service, and courteous professional treatment?			**14**
11.	Do you regularly train and equip your staff to answer customer/ patron questions, solve their problems, and meet their needs?			**15**
12.	Have you removed all barriers that prevent your staff from delivering your activities, events, products, and services?			**16**

Empowerment Survey:

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#	Questions	YES	NO	If NO go to Step #
13.	Does your staff have your permission and the applicable authority to solve customer/patron problems relative to your Program, business or office?			**17**
14.	Do you regularly train and equip your staff to create customer/ patron *loyalty* at every opportunity where loyalty is their willingness to continue being served by and to speak well of you, your staff, and your Program, business or office?			**18**
15.	Can you and your staff articulate your role in and responsibility to Marine Corps: (1) recruitment, (2) retention, (3) readiness, (4) attrition reduction, and (5) providing extraordinary customer service?			**19**
16.	Do you **avoid**, at all costs, any need to prove that your Program, business or office is “right” and the customer/patron is “wrong”?			**20**
17.	Have you eliminated every unnecessary job, duty, task, or responsibility you were doing, but didn’t need to be?			**21**
18.	Have you ended all unnecessary jobs, duties, tasks, or responsibilities your staff was doing, but didn’t need to be?			**22**
19.	Do you know what prevents you and/or your staff from doing your jobs correctly?			**23**
20.	Do you have an up-to-date vision and mission statement that includes the values, beliefs, guiding principles, goals, and objectives of your Program, business or office?			**24**
21.	Do your staff members possess the talent, skill, knowledge, ability, capability, and commitment to meet/exceed your customers’/ patrons’ needs and expectations?			**25**
22.	Do you have a workplace culture that motivates your staff members to meet/exceed the customer/patron expectations?			**26**
23.	Do you have clean, attractive and safe facilities and grounds appropriate for the delivery of extraordinary activities, events, products, and services?			**27**
24.	Do you have top quality equipment, appropriate resources, and supplies and inventories in sufficient quantities to deliver extraordinary activities, events, products and services?			**28**

REMEDIES FOR YOUR "NO" ANSWERS (Steps 5 - 28)

Step 5 You answered, "I **don't** have all official instructions and policies that apply to my *specific* Program, business or office, and/or access to those that apply to the *general* areas of MCCS."

☐ See Task 9.4, Locate, Maintain, Interpret and Apply Official Policies and Instructions for a list of Policies and Instructions applicable to your specific Program, business or office and generally to the MCCS Program.

☐ Update your library as soon as possible/practicable.

NOTE: To be empowered, you and your staff must know and be able to reference all applicable specific and general rules and regulations for your Program, business or office. Having a "right" answer when you need it, or knowing how to solve a problem is empowering; not knowing can be embarrassing and is unprofessional.

Step 6 You answered, "I **don't** routinely/frequently read/review the official policies, rules, and regulations that apply to my Program, business or office."

☐ You need to read/review the basic instructions, policies, orders and local rules/regulations that apply to your Program, business or office regularly enough to know what they contain and when changes occur.

NOTE: To be empowered, you and your staff must know and be able to reference all applicable rules and regulations for your Program, business or office. Your supervisors, managers, and key staff (and those aspiring to management positions) need to stay abreast of the rules and regulations.

Step 7 You answered, "I **don't** know what I can/can't do according to official and local policy, rules, and regulations."

☐ Read them. (Refer to Step 6.)

☐ Highlight and "flag" all items in the instructions, policies and local rules/regulations that actually apply to your Program, business or office.

- Much of the content of official instructions, policies, orders and local rules/regulations is administrative and informational.
- Once you get the gist of why an instruction/order was written, who was the signing authority, its purpose and scope, how to get extra copies, how to keep it up to date, etc., you can focus your attention on what it tells you to do or NOT do.

☐ Focus on the basic instructions, policies, orders and local rules/ regulations that apply to your Program, business or office and specifically on the rules/directions as they pertain to your operation.

☐ Share your highlighted/flagged policies, instructions and orders with everyone on your staff/team who is affected by the information.

NOTE: To be empowered, you and your staff must know and be able to reference all "germane" rules and regulations of your Program, business or office. Having a "right" answer when you need it, or knowing how to solve a problem is empowering; not knowing can be embarrassing and is unprofessional.

Step 8 You answered, "My staff **does not know** what they can/can't do according to official and local policy, rules, and regulations."

☐ First, ensure you know what they can and can't and should or shouldn't do. Refer to Steps 5 - 7.

☐ Ensure you have an effective "indoctrination" system for new staff members. See Task 6.4, Indoctrinate Staff New Members.

☐ Conduct periodic training sessions to keep your staff up to date on applicable official policy and local policy, rules, orders, and regulations.

- Always explain "why" the instruction, policy, or order applies and is important.

☐ Make sure your staff is aware of all applicable changes, rescinded, and superceded instructions/orders.

☐ Share your highlighted/flagged policies, instructions, orders with everyone on your staff/team who is affected by the information.

Step 9 You answered, "I **don't** know everything I am supposed to do."

☐ Ensure you have accomplished Steps 5 - 7.

☐ Ask colleagues who do the same or similar job. Discuss what works and what doesn't.

☐ Ask your supervisor.

☐ Get a mentor. See Task 4.8, Coach, Counsel, Tutor, and Mentor.

Step 10 You answered, “My staff members **don’t** know everything they are supposed to do.”

☐ First, ensure you know what your staff is supposed to do and what they can and can’t and should or shouldn’t do. (Don’t micro-manage--that is NOT empowering!)

☐ Determine what they don’t know by observing and asking questions. When you identify something they don’t know, use Task 4.3, Solve Performance Problems and Task 4.8, Coach, Counsel, Tutor, and Mentor. Also see Tasks 6.4 through 6.6 and Tasks 6.8 and 6.13.

Step 11 You answered, “I **don’t** routinely read books, magazines, newspapers and/or web-based articles about leadership, management, interpersonal communication, staff development, problem solving, finance, business operations, etc.”

☐ You should do so. This one isn’t rocket science--effective managers and supervisors stay abreast of their career field and current trends in managing and supervising.

☐ Staying abreast your profession/field builds self-esteem; falling behind hurts your self-confidence and diminishes your abilities.

☐ Share this personal responsibility with your staff--encourage their professional and personal development.

Step 12 You answered, "I **don't** routinely/frequently network with my local colleagues, regional MCCS peers, professional peers, or my headquarters' Program Manager."

☐ You should do so (within the guidelines of local policy). Networking with your immediate area and regional colleagues, your Headquarters representative and with professionals in your profession can help you solve a lot of problems. Why reinvent the wheel?

☐ See Task 4.1, Establish and Maintain a Professional Network.

☐ Coach your supervisors, managers, and key staff members on effective networking.

Step 13 You answered, "I **don't** know what our customers/patrons want in the way of activities, events, products, and services."

☐ See all of Duty 1.0, Assess Needs in the MCCS Managers' Desk Reference.

☐ See all of Duty 11.0, Evaluate Program/Activities/Events in the MCCS Managers' Desk Reference.

NOTE: Meeting the customers'/patrons' needs and wants is empowering. Not knowing (in advance) what to expect from your customers/ patrons is unprofessional, embarrassing, and very un-empowering! This doesn't mean you will be able to meet every want or need of every customer, but you and your staff **must** know why your Program, business or office exists and what it can and cannot provide.

Step 14 You answered, "I **don't** know what our customers/patrons expect in the way of staff skill, knowledge, abilities, capabilities, professionalism, behavior, customer/patron service, and courteous professional treatment."

☐ See Step 13 above.

Step 15 You answered, "I **don't** regularly train and equip the staff to answer customer/patron questions, solve their problems, or meet their needs."

This is the essence of empowering your staff to do their jobs. Your staff must know the features and benefits of your activities, events, products and services… cold!

☐ Refer to Task 4.3, Solve Performance Problems and Task 4.8, Coach, Counsel, Tutor, and Mentor.

☐ See EMC Task 4.2, Recover form Customer Service Complaints.

☐ See Duty 6.0, Manage Staff. Particularly Tasks (in this order) 6.1, 6.13, 6.4, 6.6, 6.5, and 6.8.

☐ Continually train, drill, coach, practice, rehearse, etc.

☐ Ensure your staff continuously look for better ways to do their jobs and to serve their customers/patrons.

Step 16 You answered, “I **have not** removed all barriers that prevent the staff from delivering our activities, events, products, and services.”

This is an area in which you can be most empowering as a manager or supervisor.

☐ Be sure you know what your customers/patrons want and need and what they expect in the way of behavior and competency.

☐ Be sure you know what you and your staff can and cannot do.

☐ Observe your staff as they perform their daily tasks and responsibilities to identify practices, procedures, circumstances and situations that seem to be barriers to them doing their jobs correctly, effectively, and efficiently.

☐ Ask if they agree with what you believe are barriers to their performance.

☐ Examine the barrier to determine how to work around or remove it.

- See Task 4.3, Solve Performance Problems.

☐ Implement a change that eliminates the barrier.

- Apply Task 4.8, Coach, Counsel, Tutor, and Mentor.

☐ Frequently discuss what you can do to better serve your customers/ patrons and/or to do your jobs better (more effectively and/or efficiently).

Step 17 You answered, "The staff does **NOT** have my permission and/or the applicable authority to solve customer/patron problems relative to our Program, business or office."

This is a classic barrier to an important staff performance (resolving customer problems/complaints) and it is often just a perception problem. Staff members frequently don't "believe" they have the authority (most often this is your permission) to solve customers' problems.

☐ Be sure you know what your customers/patrons want and need and what they expect in the way of behavior and competency.

☐ Be sure you know what you and your staff can and cannot do.

☐ Observe your staff as they perform their daily tasks and responsibilities to identify times when they could and should solve customer problems.

☐ Discuss your observations and ask if they agree that they could solve customer problems.

☐ Ensure you teach your staff members how to conduct their duties and responsibilities relative to your Program, business or office and how to recover from customer service complaints.

☐ Determine if skill/knowledge is the reason the staff member doesn't resolve customer/patron problems. He may not know he is permitted and "expected" to do so. (If you discover he doesn't know how to resolve these problems, then teach him.)

☐ See EMC Tasks 4.2, Recover form Customer Service Complaints, and Task 4.3, Solve Performance Problems, Task 4.6, Delegate Assignments, Task 4.8, Coach, Counsel, Tutor, and Mentor, Task 6.4, Indoctrinate New Staff Members and Task 6.5, Train/Develop Staff.

☐ Frequently discuss what you can do to better serve your customers/ patrons and/or to do your jobs better (more effectively and/or efficiently).

Step 18 You answered, "I **don't** regularly train or equip the staff to create customer/ patron loyalty at every opportunity where loyalty is their willingness to continue being served by and to speak well of me, the staff, and our Program, business or office."

Providing all types of training is a key empowerment tool for managers and supervisors. Ensuring your staff is trained in providing extraordinary customer service is paramount to successful Program, business or office operations.

☐ Ensure you and all staff members attend the basic customer service courses. (World Class Customer Service.)

☐ Provide ongoing customer service training and staff dialogue.

☐ Ensure you and your staff take advantage of all advanced and reinforcement classes in providing extraordinary/world class customer service.

☐ See EMC Task 4.2, Recover from Customer Service Complaints.

Step 19 You answered, "Neither the staff nor I can articulate our role and responsibilities to Marine Corps: (1) recruitment, (2) retention, (3) readiness, (4) attrition reduction, and (5) providing World Class customer service?"

☐ Have frequent conversations with your staff about the basic reasons for your Program, business or office.

- A major goal of all MCCS operations is to make the armed forces an attractive job where America's young men and women want to work (serve) and a career in which they want to stay. Where applicable, your Program, business or office outcomes should contribute to military readiness.

- If you are not in business to provide extraordinary customer service (internal and external), then you need not be in business.

Step 20 You answered, "We **don't** avoid proving we're 'right' and the customer/patron is 'wrong'".

You must make the customer/patron right as often as possible. Whenever the business is right and makes the customer wrong, the business usually loses a customer. And typically it gains more bad publicity than it can possibly afford to overcome with advertising and promotion.

☐ Be sure you and your staff **avoid**, at all costs, any need to prove that your Program, business or office is "right" and the customer/patron is "wrong".

☐ Be sure you and your staff members, choose to be flexible, to create win-win results, and to never be "dead right"?

☐ See EMC Task 1.6, Communicate for Win-Win Results.

Step 21 You answered, "I **have not** stopped doing 'unnecessary' jobs, duties, tasks, or responsibilities I could/ should stop doing."

☐ Complete, in sequence, the following Tasks:

- Task 4.4, Manage Time and Things-To-Do.
- Task 4.5, Get Your Stuff Together.
- EMC Task 3.1, Prepare Individual Goals and Objectives.
- EMC Task 3.2, Prioritize Individual Goals and Objectives.
- Task 4.6, Delegate Assignments.
- EMC Task 5.2, Build and Lead Teams: Light the Fire Within!
- Task 4.7, Empower Staff/Team Members.

☐ See Task 6.1, Develop and Maintain a Staffing Strategy.

☐ See Task 6.13, Prepare/Update Position Descriptions.

NOTE: When operating with reduced resources, nothing can be more important than ONLY doing the right things at the right times. This means stopping all responsibilities/tasks that do not directly contribute to the mission and purpose of your Program, business or office.

Step 22 You answered, "I **have not** stopped my staff from performing unnecessary jobs, duties, tasks, or responsibilities that I could/should have them stop doing."

☐ Help your staff complete, in sequence, the following Tasks:

- Task 4.4, Manage Time and Things-To-Do.
- Task 4.5, Get Your Stuff Together.
- EMC Task 3.1, Prepare Individual Goals and Objectives.
- EMC Task 3.2, Prioritize Individual Goals and Objectives.
- Task 4.7, Delegate Assignments.
- EMC Task 5.2, Build and Lead Teams: Light the Fire Within!
- Task 4.7, Empower Staff/Team Members.

☐ Have your staff review and use Task 6.1, Develop and Maintain a Staffing Strategy and Task 6.13, Prepare/Update Position Descriptions.

NOTE: When operating with reduced resources, nothing can be more important than ONLY doing the right things at the right times. This means stopping all responsibilities/tasks that do not directly contribute to the mission and purpose of your Program, business or office.

Step 23 You answered, "I **don't** know what prevents me from doing my job correctly?"

☐ Examine the Four Domains of Performance in Task 4.3, Solve Performance Problems. Ask yourself the following questions about your performance:

- Have you ever done it correctly? If "NO", you need skill/ knowledge training.
- Do you want to do it correctly EVERY time. If "NO", you need better incentives, motivation, or accountability.
- Are there times when circumstances or situations cause you to perform incorrectly? If you answer "YES", you need to change one or more things in your work environment.
- Are there times when you consciously or unconsciously choose not to perform correctly or at all? If YES, well… only you can choose to perform correctly.

☐ Discuss your performance with a trusted peer/colleague. Ask him what he believes keeps you from performing correctly all of the time.

☐ Discuss your performance with your immediate supervisor. Ask him what he believes keeps you from performing correctly all of the time.

☐ Get a mentor. See Task 4.8, Coach, Counsel, Tutor, and Mentor.

NOTE: Incidentally, if you don't know what prevents your staff from performing/ behaving correctly do these same things for them.

And read the following management book: Why Employees Don't Do What They're Supposed To Do, Ferdinand F. Fournies, Liberty Hall Press, Blue Ridge Summit, PA, 1988.

Step 24 You answered, "We **don't** have an up-to-date vision and mission statement that includes our values, beliefs, guiding principles, goals, and the objectives of our Program, business or office."

☐ See Task 2.5, Provide Vision, Mission, Goals and Objectives.

☐ See Task 2.6, Prioritize Finalize and Communicate Goals and Objectives.

NOTE: Numerous management studies have demonstrated the value of having a **written** Vision, Mission and Goals. These tell the customer/patron and the staff what the Program, business or office does, believes in and values, and where it is headed.

The value of a Vision, Mission and Goals cannot be overstated.

Step 25 You answered, "My staff members **don't** possess the talent, skill, knowledge, ability, capability, and commitment to meet/exceed our customers'/patrons' needs and expectations."

You have hiring, new staff member indoctrination, training, and incentive/ motivation/accountability problems.

See the following tasks:

☐ 6.3, Announce and Fill NAF Position Vacancies.

☐ 6.4, Indoctrinate New Staff Members.

☐ 6.5, Train/Develop Staff.

☐ 6.8, Monitor and Improve Staff Performance.

☐ 6.10, Reward, Incentivize, and Motivate Staff.

☐ 6.14, Discipline Staff.

☐ ***Use*** Task 4.8, Coach, Counsel, Tutor, and Mentor.

Step 26 You answered, "We **don't** have a workplace culture that motivates the staff to meet/exceed the customer/patron expectations."

☐ Ensure you and all staff members attend the basic customer service courses. (World Class Customer Service.)

☐ Provide ongoing customer service training and staff dialogue.

☐ Ensure you and your staff takes advantage of all advanced and reinforcement classes in providing extraordinary/world class customer service.

☐ See Task 6.8, Monitor and Improve Staff Performance.

☐ See Task 6.10, Reward, Incentivize, and Motivate Staff.

☐ Use the following Tasks:

- Task 4.8, Coach, Counsel, Tutor, and Mentor.
- Task 4.6, Delegate Assignments.
- Task 4.7, Empower Staff/Team Members.
- EMC Task 4.2, Recover from Customer Service Complaints.
- EMC Task 5.2, Build and Lead Teams: Light the Fire Within!

Step 27 You answered, “We **don’t** have clean, attractive and safe facilities and grounds appropriate for the delivery of extraordinary activities, events, products, and services.”

☐ Use Task 10.11, Create and Maintain a Focused Program Image.

☐ See all Tasks in Duty 8.0, Manage The Physical Plant.

Who wants to do their best working in a dumpy, dirty, unsafe environment?

Step 28 You answered, “We **don’t** have top quality equipment, appropriate resources, and supplies and inventories in sufficient quantities to deliver extraordinary activities, events, products and services.”

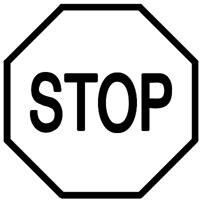
☐ Use Task 10.11, Create and Maintain a Focused Program Image.

☐ See all Tasks Duty 8.0, Manage The Physical Plant.

☐ See all of the Tasks Duty 7.0, Manage Supplies and Equipment.

☐ See Tasks 5.1 through 5.6.

Who will stay motivated to do their best when they continually lack the tools, equipment, and supplies to do their job correctly?



Congratulations! You’ve completed this task.

Empowerment Survey:

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#	**Questions**	**YES**	**NO**	**If NO go to Step #**
1.	Do you have all official instructions and policies that apply to your *specific* Program, business or office and access to those that apply to the *general* areas of MCCS? (E.g., personnel, payroll, accounting, supply, procurement, budget management, fiduciary responsibility, safety, etc.)			**5**
2.	Do you routinely/frequently read/review the official policies, rules, and regulations that apply to your Program, business or office?			**6**
3.	Do you know what you can and cannot do in accordance with official and local policies, rules, and regulations?			**7**
4.	Does your staff know what they can and cannot do in accordance with official and local policies, rules, and regulations?			**8**
5.	Do you know everything you are supposed to do?			**9**
6.	Does each member of your staff know everything he/she is supposed to do?			**10**
7.	Do you routinely read books, magazines, newspapers and/or web-based articles about leadership, management, interpersonal communication, staff development, problem solving, finance, business operations, etc.			**11**
8.	Do you routinely/frequently network with your local colleagues, regional MCCS peers, and your Headquarters' Program Manager?			**12**
9.	Do you know what your customers/patrons want in the way of activities, events, products, and services?			**13**
10.	Do you know what your customers/patrons expect in the way of staff skill, knowledge, abilities, capabilities, professionalism, behavior, customer/patron service, and courteous professional treatment?			**14**
11.	Do you regularly train and equip your staff to answer customer/ patron questions, solve their problems, and meet their needs?			**15**
12.	Have you removed all barriers that prevent your staff from delivering your activities, events, products, and services?			**16**

Empowerment Survey:

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#	**Questions**	**YES**	**NO**	**If NO go to Step #**
13.	Does your staff have your permission and the applicable authority to solve customer/patron problems relative to your Program, business or office?			**17**
14.	Do you regularly train and equip your staff to create customer/ patron *loyalty* at every opportunity where loyalty is their willingness to continue being served by and to speak well of you, your staff, and your Program, business or office?			**18**
15.	Can you and your staff articulate your role in and responsibility to Marine Corps: (1) recruitment, (2) retention, (3) readiness, (4) attrition reduction, and (5) providing extraordinary customer service?			**19**
16.	Do you **avoid**, at all costs, any need to prove that your Program, business or office is “right” and the customer/patron is “wrong”?			**20**
17.	Have you eliminated every unnecessary job, duty, task, or responsibility you were doing, but didn’t need to be?			**21**
18.	Have you ended all unnecessary jobs, duties, tasks, or responsibilities your staff was doing, but didn’t need to be?			**22**
19.	Do you know what prevents you and/or your staff from doing your jobs correctly?			**23**
20.	Do you have an up-to-date vision and mission statement that includes the values, beliefs, guiding principles, goals, and objectives of your Program, business or office?			**24**
21.	Do your staff members possess the talent, skill, knowledge, ability, capability, and commitment to meet/exceed your customers’/ patrons’ needs and expectations?			**25**
22.	Do you have a workplace culture that motivates your staff members to meet/exceed the customer/patron expectations?			**26**
23.	Do you have clean, attractive and safe facilities and grounds appropriate for the delivery of extraordinary activities, events, products, and services?			**27**
24.	Do you have top quality equipment, appropriate resources, and supplies and inventories in sufficient quantities to deliver extraordinary activities, events, products and services?			**28**

MCCS MANAGERS’ DESK REFERENCE
DUTY 4.0 – ENSURE EXTRAORDINARY PERFORMANCE & BEHAVIOR

TASK 4.8

Coach, Counsel, Tutor and Mentor

DO THIS TASK WHEN

- Leading, managing, supervising, and guiding your MCCS Program, business or office.
- Maintaining the spirit and focus of MCCS World Class Customer Service. Keeping it alive, fun, vibrant, exciting, interesting, important, and ever-present.
- Working on initiatives to create Positive Memorable Customer Experiences© (PMCEs) and “Raving Fans”.
- Striving to improve how your customers/patrons and senior leadership perceive your current Program, business or office.
- Improving/changing staff performance or behavior.
- Improving/changing the activities, events, products, or services you provide.
- Improving/changing the financial condition of your Program, business or office.
- Improving/changing your facilities, grounds, vehicles, property, machinery, equipment, supplies, or operational procedures.

REFERENCES

- MCCS World Class Customer Service.
- The Only Thing That Matters: Bringing the Power of the Customer into the Center of Your Business, Karl Albrect with the TQS Group, Herper Collins Publishers, 1992.

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- Delivering Knock Your Socks Off Service, (and the KYSO series), Ron Zemke, (et. al.), American Management Association (AMACOM), New York, NY, 1998.
- Coaching For Commitment: Interpersonal Strategies for Obtaining Superior Performance from Individuals and Teams, Dennis C. Kinlaw, Ed.D., Jossey Bass/Pfeiffer, Inc., San Francisco, CA, 1999, 2nd edition.
- The Coaching Pocketbook, Ian Fleming and Allan J.D. Taylor, Stylus Publishing, LLC, Sterling, VA, 1998.
- Why Employees Don't Do What They're Supposed To Do, Ferdinand F. Fournies, Liberty Hall Press, Blue Ridge Summit, PA, 1988.
- Raving Fans, Ken Blanchard and Sheldon Bowles, William Marrow and Company, Inc., New York, NY, 1993.
- Gung Ho!, Ken Blanchard and Sheldon Bowles, William Marrow and Company, Inc., New York, NY, 1998.

SUPPLIES/ RESOURCES

- All official instructions and policies that apply to your specific Program, business or office.
- All official instructions and policies that apply to the *general* areas of MCCS. (E.g., personnel, payroll, accounting, supply, procurement, budget management, fiduciary responsibility, safety, etc.)
- Up-to-date vision and mission statements with guiding principles, goals, and objectives that define who and what you are, what you believe and value, and how you and your staff will meet and exceed your customers'/ patrons' needs and expectations.

SUPPLIES/ RESOURCES (cont.)

- Staff members who possess the skill, knowledge, ability, and commitment to meet/exceed your customers'/ patrons' needs and expectations.
- Systems of communication, behaviors, relationships, incentives, motivation, and training and development that cause your staff members to **"want"** to meet/exceed the customers'/patrons' needs and expectations at every opportunity.
- Clean, attractive, and safe environments (facilities and grounds) appropriate for the delivery of extraordinary MCCS activities, events, products, and services.
- Top quality equipment, "just-in-time" supplies, and inventories in sufficient quantities necessary to deliver extraordinary MCCS activities, events, products and services.
- Recording tools/devices. (E.g., daily planner, notebook, an electronic Personal Data Assistant (PDA), or a tape recorder to record your observations of actual performance, your perceptions, and your customer's/ patron's comments.)
- Computer with word processing and spreadsheet software.

THIS TASK IS DONE CORRECTLY WHEN

- You and each member of your staff know what your customers/patrons want, need and expect in the way of:
    - Activities, events, products, and services.
    - Staff skill, knowledge, abilities, professionalism, behavior, courteous, customer/patron service.
- You and each member of your staff provide extraordinary customer service.
- You and each member of your staff treat each other with care, respect, and deference.

THIS TASK IS DONE CORRECTLY WHEN (cont.)

- You and the staff serve with dignity and treat each customer/patron with care, respect, and deference, whether face-to-face, on the telephone, or in written correspondence.

- You and each member of your staff strive to create "Raving Fan©" customer/patron *loyalty* at every opportunity. (In this context, loyalty is a "willingness by the customer/patron to continue being served by and to speak well of you, your staff, and your Program, business or office".)

- You and each of your managers/supervisors strive to create and support *committed* service stars.

- Customer/patron satisfaction scores/measurements improve annually as a result of your team's goals.

- Customer/patron dissatisfaction scores/measurements or comments decrease annually as a result of your team's goals.

- Your Program, business or office delivers consistent quality and value in all of its activities, events, products, and services.

- Your Program, business or office offers diverse, valuable, exciting, safe, entertaining, healthy, customer/patron-focused activities, events, products, and services.

- You meet the needs of the Marine Corps and all eligible customers/patrons with respect to the purpose/mission of your Program, business or office.

THIS TASK IS DONE CORRECTLY WHEN (cont.)

- You and each member of your staff **AVOID** any need to prove your Program, business or office to be "right" and the customer/patron to be "wrong". Instead, you and your staff choose to be flexible, to create win-win results, and to never be "dead right"!

NOTES

CAUTION: DON'T use this task if:

(1) You are certain your staff members are incapable of accomplishing or caring about extraordinary performance.

(2) You believe your staff members only work for a pay check. Or, you believe few, if any, are "really" interested in their job or their customers/patrons, and fewer yet care why they do their job.

(3) You believe your staff members are neither intelligent enough, nor motivated enough to make your Program, business or office extraordinary.

(4) You don't believe you can make a difference in your staff's performance.

(5) You don't have enough time to spend with your staff to ensure they become extraordinary performers.

(6) You don't enjoy working with people.

(7) Your method is "command and control" where you decide what to do, you tell what to do, and they just do!

(8) You don't trust your staff.

(9) You **believe** you are the "only" source of answers, decisions, and solutions for your Program, business or office.

(10) You are sure your staff can't do things right, nor do they care enough to do things right.

(11) You choose abdication of responsibility over imagination, planning, hard work, and visionary, exciting, motivating and CARING leadership.

NOTES (cont.)

Whoa! That list was a bummer! But here's the deal:

If you truly believe or do the above, you really must find a different line of work because you are condemning yourself, your Program, business or office, and everyone who ever works for you to boredom and mediocrity!

This type of uninspired, selfish, and presumptuous management ensures staff members experience a slow, agonizing death of individual spirit, commitment, and initiative!

If, on the other hand, you survived the preceding indictments, but are feeling just a little guilty--don't worry! Just as your staff can become extraordinary at anything and everything they do (or want to do), you can become an *extraordinary* leader, manager, supervisor, or anything else you choose.

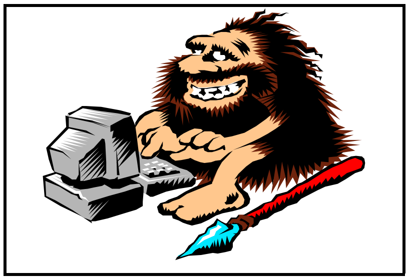
This Task provides information on how to employ four very powerful, important, interrelated, and essential skills for all leaders, managers, and supervisors.

WE MOMENTARILY DIGRESS TO FICTION ☺/

But, before we describe the four skills, we want to introduce you to our local high school coach, C.T. Mentor, a distant ancestor of the great leader, COCOTUMEN. (You pronounce his name like the hot chocolate drink "cocoa" and add 2-men. *cocoa+2-men*. ☺/)

Pictured on the left is coach C.T. Mentor and on the right, a sketch believed to be that of COCOTUMEN.

1964 - Present



16404 - 16331 BC, est.

NOTES (cont.)

Historians believe COCOTUMEN was the very first leader to realize extraordinary things were possible when everyone worked together with a common (shared) vision, mission, and focus on what needed to be done (goals and objectives).

COCOTUMEN figured out that everyone did great when they knew what to do, where to do it, when to do it, why it needed to be done, by whom it was to be done, to/for or with whom it was done, how it was done, and how well it needed to be done, (e.g., how often, how many, how quickly, how well cooked, how clean, etc.,) and, ***how they should behave while doing it.***

A special note: *COCOTUMEN is credited as being the* ***first*** *quality guru and he became the first TQL Hall-of-Fame inductee--albeit, very, very posthumously!*

Anyway, back to our story. As we said, COCOTUMEN discovered that a group working together with a common vision and mission performed much better than those who worked in the old ways. (The old way was of course, as a disparate and dispirited gang of berated individuals being *directed* by rules, regulations, orders, details, and duress.)

The new way achieved extraordinary results and significantly improved behavior as well. Interpretations of early petroglyphs illustrate incidents of clubbing, gouging, and biting became a thing of the past. Weapons were no longer found in schools--a veritable cultural revolution had begun.

Pardon us..., a question from the audience: *"How did this come to be", you ask?* Great question!

It is believed that the great COCOTUMEN invented four techniques that ensured the folks in his group became the very best they could be.

Through COCOTUMEN's four methods of **CO**aching, **CO**unseling, **TU**toring, and **MEN**toring, his folks became extraordinary at everything they did.

NOTES (cont.)

Those who made clothing, made the best clothes. Those who hunted and those who gathered were super-successful and the folks were never without. Those who taught, developed proud, competent, and confident students. Those who built shelters invented items many of us now take for granted. And so it was with everyone doing every manner of work--and COCOTUMEN was glad, and the folks were also glad!

As you can probably tell from the picture of Coach C.T. Mentor, he too is successful, proud, and glad. And he credits his success to COCOTUMEN's four techniques.

OKAY, BACK TO REALITY

Research of business literature shows that these four techniques are routinely employed by most successful and effective leaders, managers, and supervisors.

The four techniques should be viewed as four special leadership, management, supervisory roles to be used each day at the appropriate opportunities.

The four roles are:

- Coach.
- Tutor.
- Counselor.
- Mentor.

The **Coach** observes daily operations, watching his staff accomplish their work. He sees all--but never micro-manages.

He observes behavior, asks questions, clarifies expectations, provides suggestions and tips-of-the-trade, answers questions, helps when asked (and only if appropriate).

As a coach, he also clarifies, and at every opportunity, simplifies details, procedures, policies, and regulations.

The coach trusts, delegates, empowers, rewards, respects, incentivizes, excites, and motivates!

NOTES (cont.)

The coach always seeks opportunities to catch staff members doing things right and immediately reinforces their good work. The coach is a cheerleader--the staff's biggest fan!

(1) The coach helps turn customers/patrons into "Raving Fans" by ensuring he and his staff are "Gung Ho!" (See reference list.)

(2) And the coach ensures all of his managers and supervisors are coaches too!

The **Counselor** role is a more solemn responsibility. Like the coach, the counselor also observes daily operations, watches his staff accomplishing their work; seeing all--but never micro-managing.

He observes behavior, asks questions, reinforces/restates expectations, provides additional direction, makes alternative assignments and/or re-schedules work.

When necessary, the counselor requires errors be corrected by giving respectful and private feedback and if appropriate, minor admonishment. He always ensures agreement and alignment when counseling a staff member.

In rare occasions, the counselor must elevate counseling to disciplinary levels. To do so fairly and appropriately, he must be completely competent with the personnel and operational rules, regulations, policies, and procedures of his Program, business or office.

But even in the most difficult counseling situations, the counselor demonstrates honesty, respect, trust, faith, and confidence, and remains the staff member's advocate!

The Counselor does everything possible to return to his Coaching role!

NOTES (cont.)

Like the coach role, the **Tutor** is a fun and rewarding role. As tutor, he also observes daily operations, watching his staff accomplishing their work. He sees all--but never micro-manages.

The tutor's main job is to observe and ask questions.

Like the coach and counselor, the tutor clarifies expectations, provides direction, and answers questions when the staff member doesn't know (or remember) who, what, where, when, why, to/for whom, how, and how well.

The tutor's main duty is providing on-the-job training (OJT), scheduling staff training, staying atop technical advances in his field, and sharing new information, methods, and techniques with his staff.

The tutor's responsibility is to communicate timely, appropriate and USEFUL information to the staff.

Like the Counselor, the Tutor does everything possible to return to his Coach role!

The **Mentor** doesn't come out as often as the coach, the tutor, or the counselor.

But the mentor role is one of immense responsibility. The mentor helps his staff members develop their lives and careers while minimizing the staff perceptions of favoritism and/or pre-selection.

The mentor and mentee relationship is one that seeks to discover and develop the mentee's latent skill, knowledge, ability, and capability.

Beyond immediately applicable career development opportunity, the mentor and mentee work together to help the mentee achieve things beyond his immediate goals and perhaps beyond his imagination!

NOTES (cont.)

The mentor’s role isn’t just for his staff, the mentor also helps colleagues and staff members from other Programs, businesses, offices, community members, friends, and family.

The role of mentor is very rewarding when the mentee improves, changes, and moves up, out, and sometimes away to greater opportunities, realizing his potential.

Like the Counselor and Tutor, the Mentor returns to his Coach role as soon as possible!

Pardon us, but we have another question from the audience: *“Does this mean that I will have no problems when I become an effective Coach, Counselor, Tutor, Mentor?”* Wow! Another great question!

Unfortunately, “NO”, but we will guarantee that you will gain a tremendous amount of respect, have fun at work, develop extraordinary staff members, provide extraordinary customer/ patron service, and you’ll be very proud.

But you will never be without challenges! (Problems.)

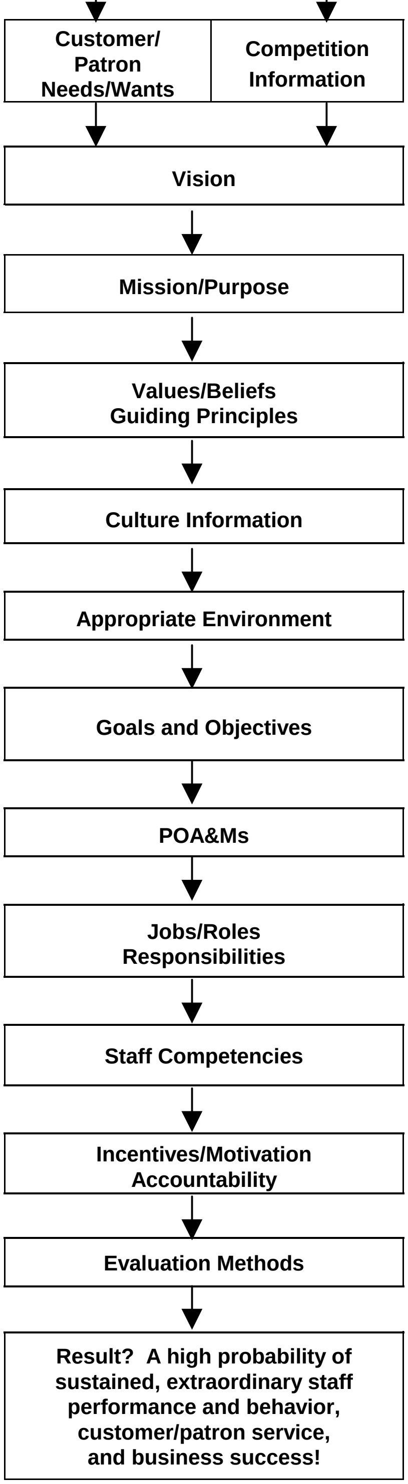
“Why?” Well because, ensuring extraordinary, capable, intelligent, well-behaving, knowledgeable, and committed staff, who are excited about and have fun at work, is but one of the key factors for a successful Program, business or office.

The number of variables necessary for Program, business or office success are enormous and often puzzling. Besides, if success was too easy, no one would want to work--we’d all want to be leaders, managers, or supervisors right from the “get-go”.

The illustrations on the next two pages depict *many* of the essential business elements and key success factors for any Program, business or office.

PERFORMANCE MANAGEMENT SYSTEM:

START WITH | **NOTES ABOUT THE FLOW CHART ITEMS:**


Customer/ Patron Needs/Wants
Competition Information
Vision
Mission/Purpose
Values/Beliefs Guiding Principles
Culture Information
Appropriate Environment
Goals and Objectives
POA&Ms
Jobs/Roles Responsibilities
Staff Competencies
Incentives/Motivation Accountability
Evaluation Methods
Result? A high probability of sustained, extraordinary staff performance and behavior, customer/patron service, and business success!

Needs/Wants: An up-to-date, complete understanding of what your current and prospective customers/patrons need and want.

Competition: An up-to-date, complete understanding of your competition: Who they are, where they are, what they provide, their strengths and weaknesses, how they behave and serve, what they charge, and if/why your customers/patrons choose them over you.

Vision: A published statement of where your Program, business or office is going that is imaginative, innovative, proactive, and reflects exciting and unusual programming, operational foresight, and business wisdom.

Mission/Purpose: A published statement of why your business exists, what it does, and how it benefits its customers/patrons. This helps everyone involved in the Program, business or office focus their efforts on appropriate and worthwhile accomplishments.

Values, Beliefs, and Guiding Principles: A staff, management, and leadership understanding and agreement of how the business operates and how everyone behaves. (E.g., fair play, honesty, no deceitful practices, no reprisal, good manners and business etiquette, integrity, decency, etc.) "Beliefs are the guideposts we live by each day."

Culture Information: The history, demographics, values, beliefs, customs, and traditions of those you serve and of your staff, supervisors, and managers is known and respected by all.

Appropriate Environment: Key success factors include: a) Appropriate and effective policies, procedures, rules, and regulations, b) Sufficient time to get things done, c) Top quality, up-to-date, and clean grounds, buildings, signage, vehicles, equipment, and machinery, d) Sufficient income and minimized expenses.

Goals and Objectives: Goals describe the immediate future in terms of planned decisions. Objectives are the actions to accomplish the goals, mission, and purpose of the Program, business or office. "Goals are milestones marking the way to the future."

POA&Ms: POA&Ms detail the critical requirements of the goals and objectives in the form of required accomplishments, assignments, resources, critical paths, and due dates.

Jobs, Roles, Responsibilities: Through history, experience and experiment, you know how many staff members it takes to accomplish the work of your Program, business or office.

Staff Competencies: Through history, experience, and experiment, you know what each staff member must possess in the way of skill, knowledge, ability, capability, values, beliefs, attitude, and behavior.

Incentives, Motivators, and Accountability: You, your managers, and supervisors know and choose to do everything it takes to keep each staff member informed, reinforced, rewarded, challenged, and accountable.

Evaluation Methods: You and everyone in your staff use all available measurement tools and methods to measure key accomplishments, Program Standards, and to adjust the business, staff, and personal goals and objectives and the vision, mission, and purpose of the Program, business or office. Data from the evaluation methods is used to ensure the Program, business or office remains on the leading edge, ahead of its competition, and dedicated to extraordinary customer/patron service.

Key Factors FOR a successful Program, business or office: (+)	**Key Factors AGAINST a successful Program, business or office: (-)**
• Hiring the right people. • Inspired, visionary leadership. • Effective and consistent coaching, counseling, tutoring, and mentoring. • Exciting, charismatic, dynamic, and fun managers, supervisors, and staff. • Continuous training and education. • Career development opportunities and encouragement. (Mentoring.) • Fair compensation. • Appropriate benefits. • Effective incentives. • Performance expectations and standards, known by all. • Performance results in feedback. Everyone knows how they are doing at all times. • All staff members know what they should do, when, where, why, to/for/or with whom, how, and how well. • Everyone knows they will be held fairly accountable for what they are responsible and supposed to do. • Up-to-date, appropriate, and properly maintained equipment, tools, vehicles, and machinery. • Positive cash flow/revenue/income. • Command and senior leadership support. • Results of good stress. • Seasonal ups/peaks in business. • Extraordinary customer service.	• The opposite of, or lack of, the “pluses” in the opposite column. • Ineffective leadership, management and supervision. • Failures in the supply/vendor chain. • Equipment, machinery, or vehicle failures. • Catastrophic failures/events. (Fires, floods, wind/storm damage, earthquake, volcanic damage, loss of major equipment, machinery, vehicles, etc.) • Staff accidents, illnesses, disabilities. • Staff performance/behavior negatively affected by significant outside occurrences. (Marriages, graduations, births, deaths, relocations, home or major asset acquisition, loss of job, downsizing, regionalization, windfalls, etc.) • Insufficient funds or cash flow. • Excessive expenses. • Customers lose interest in your activities, events, products, or services. • Customers wander away for the sake of variety only. (...and they may not return.) • Prolonged weather influence. • Results of bad stress. • Poor strategic, and/or short/long-term planning. • Failure to plan for troop/fleet movements. • Seasonal downs/lulls in business. • Poor customer service.

PREPARATION

Before we start coaching, counseling, tutoring, and mentoring, decide which essential business elements and key success factors from the previous two pages you need to change in your Program, business or office.

☐ Record in your daily journal, things-to-do list, on your calendar, or in your personal data assistant, etc., what you want to stop doing, do differently, or start doing.

☐ Include in your notes: What? Why? By/to/for whom? When? Where? How? How well? Costs? Etc.

IF YOU WANT TO:	THEN SEE GUIDANCE IN MCCS MANAGERS' DESK REFERENCE:
Determine customer/patron needs/wants.	Duty 1.0
Assess your competition.	Duty 2.0
Prepare/update your vision/mission/purpose statement.	Duty 2.0
Write/revise values, beliefs, guiding principles.	Duty 2.0
Define your customer and staff cultures.	Duty 1.0
Examine the environmental conditions and situations of your Program, business or office.	Duty 8.0, 10.0 and 12.0
Achieve published Program Standards.	Duty 2.0
Write/update goals and objectives.	Duty 2.0
Write/update your Plan of Action and Milestones (POA&Ms).	Task 1.1
Write/update job roles and responsibilities.	Duty 6.0
Write/update staff competencies.	Duty 6.0
Ensure systems that effectively incentivize, motivate, and hold people accountable.	Duty 6.0
Evaluate your activities, events, products, services, and your operational processes.	Duty 11.0

NOTE: This table does not list "how-to" sources for any of the business elements and success factors provided on pages 4.8.12 and 4.8.13. And the (+) and (-) listing on page 4.8.13 is not intended to be "exhaustive".

You can find "how to" guidance for the key factors in many sources. We suggest you consider the following: MCCS World Class Customer Service Training; this desk reference; the Essential Management Competencies (EMC) desk reference, the Internet; business libraries; and current management, quality control, and human resource management references. Also use your professional network.

Compare the list of reasons why people don't do what they are supposed to with the list of reasons of why they will.

☐ As you compare the two lists, imagine all the ways you can make a difference in why people don't do what they are supposed to do. (You will use a provided copy of this list throughout this Task and regularly on the job.)

WHY PEOPLE DON'T DO WHAT THEY ARE SUPPOSED TO DO:

- They don't know why they should do it.
- They don't know how to do it.
- They don't know what they are supposed to do.
- They think your way won't work.
- They think their way is better.
- They think something else is more important.
- There is no positive consequence to them for doing it.
- They think they are doing it.
- They are rewarded for not doing it.
- They are punished for doing what they are supposed to do.
- They anticipate a negative consequence for doing it.
- There is no negative consequence to them for poor performance.
- There are obstacles beyond their control.
- Their personal limitations prevent them from performing.
- Personal problems prevent them from performing.
- No one could do it.
- They consciously/unconsciously choose not to do what they are supposed to.

NOTES This list is found in Why Employees Don't Do What They Are Supposed To Do and What To Do About It, by Ferdinand F. Fournies. (See reference list.)

WHY PEOPLE DO WHAT THEY ARE SUPPOSED TO DO:

- They know what they are supposed to do. And, they know why they should do it; when they should do it; where they should do it; to/for or with whom to do it; they know how to do it; and they know how well to do it. (They know they are doing it correctly.)
- They are confident your way will work. And, when they believe they have a better way to do it, they trust you enough to explain/demonstrate their way.
- They are clear about current priorities.
- There are positive consequences for doing it and they are never punished for doing what they are supposed to do. (They are rewarded for doing it.)
- They are sure negative consequences will not happen when they do it, but they know they are held accountable. (There ARE negative consequences for poor performance.)
- Obstacles are minimized and/or non-existent.
- They are empowered to solve problems.
- They are able, capable, and willing to perform.
- Personal problems do not prevent them from performing.
- The job/task is designed so that able, capable, and willing performers can do it at the right time correctly.
- They choose to.

PREREQUISITES:

Coaching, counseling, tutoring, and mentoring requires you to effectively solve problems and make decisions throughout your day.

Task 4.3, Solve Performance Problems, and EMC Task 2.2, Make Effective Decisions provide methods and models to accomplish these. If you have not yet done so, you should read these Tasks.

Being an effective Coach, Counselor, Tutor, and Mentor also requires excellent communication skills.

The EMC Tasks in Duty 1.0, Improve Communication will help improve your communication skills. In particular, the following tasks are important to your roles of Coach, Counselor, Tutor, and Mentor.

- EMC Task 1.1, Listen For Understanding.
- EMC Task 1.2, Speak for Comprehension.
- EMC Task 1.3, Improve Non-Verbal Communication.
- EMC Task 1.6, Communicate for Win-Win Results.

If you have not yet done so, you should read these four tasks.

Being a successful manager/supervisor requires the committed effort of your entire staff. Task 4.7, Empower Staff/Team Members provides essential steps to help you develop and sustain a confident, committed, capable, and self-sufficient staff.

If you have not yet done so, read this task.

PROCEDURE

Step 1 Decide which COCOTUMEN role to use.

IF YOUR STAFF MEMBER:	THEN YOUR ROLE WILL BE:
• Is doing what he is supposed to do. • Is caught doing something right or especially well. • Goes beyond what he is supposed to do. • Behaves in an exemplary manner. • Asks for help or an answer. • Does not know why he should do what he is supposed to do. • Thinks something else is more important. • Thinks he has a better way to do what he is supposed to do. • Receives no reward, feedback, or positive consequence for doing what he is supposed to do and/or when behaving correctly. • Thinks he is doing what he is supposed to do and/or behaving incorrectly. • Receives reward for performing and/or behaving incorrectly. • Anticipates a negative consequence for behaving correctly or doing what he is supposed to do. • Is unable to perform correctly due to obstacles beyond his control. • Is personally unable to perform and/or behave correctly. • Attempts an assigned task no one could possibly do correctly.	**COACH** 1. Go to page 4.8.20. 2. Complete Steps 2 through 14.
• Continues to NOT do what he knows is supposed to be done. • Is unwilling to behave in a manner commensurate with his job/ responsibilities. • Is unwilling to perform in a manner commensurate with his job/ responsibilities. • Is NOT meeting clearly specified expectations and/or standards. • Thinks your way won't work and his way is better. • Continues to disregard rules, regulations, policy, and agreed upon procedures.	**COUNSELOR** 1. Go to page 4.8.29. 2. Complete Steps 15 through Step 22.
• Once knew how to do a job or task, but forgot. • Does not know what to do. • Does not know how to do what he is supposed to do. • Does not know anything about his assigned task or a newly encountered need, situation, condition, or problem.	**TUTOR** 1. Go to page 4.8.37. 2. Complete Steps 23 through 36.
• Is ready to move beyond the responsibilities of his present job. • Asks for your help to develop professionally, beyond the scope of his current position. • Has personal problems or outside interest preventing him from performing and/or behaving correctly.	**MENTOR** 1. Go to page 4.8.51. 2. Complete Steps 37 through 52.

THE COACH (Steps 2 - 14)

Step 2 Choose, right now, to trust your staff and to coach them to extraordinary customer relationships, service, professionalism, and success. *(Coaching is more how you behave all the time rather than a specific or special session/ event.)*

Step 3 Observe daily operations.

☐ Ensure staff performance meets the following standards:

Tasks are done:

- When they are supposed to be done.
- In appropriate or assigned priority.
- Where they are supposed to be done.
- How they are supposed to be done.
- To/for/with whom they are supposed to be done.
- Effectively and efficiently.

☐ Ensure staff behavior meets the following standards:

- Is friendly. (Smiles, uses positive body language, greets and looks at the customer/patron.)
- Is courteous/polite. (Uses expressions and gestures that invite the customer/patron to be served. Uses "please" and "thank you". Thank the customers/patrons for their business and invites them to return.)
- Behaves in accordance with the workplace etiquette guidelines provided in EMC Task 5.3, Manage A Diverse Workforce.

NOTE: The trick here is to see all, but don't appear to be watching, their every move. Remember..., train, empower, and trust your staff!

DON'T MICRO MANAGE! If you need to control every detail, let your staff members go work somewhere else as you apparently have enough time to do everything.

Ensure standards of conduct and behavior are a significant focus of your hiring processes. Your expectations, requirements, and standards of behavior *must* be made absolutely clear during indoctrination and throughout all initial training and coaching. See Task 6.4, Indoctrinate New Staff Members and Task 6.5, Train/Develop Staff.

Step 4 Keep track of your observations with an information management system that works best for you.

☐ Unless you have an amazing memory, keep notes/records.

Your notes/records are invaluable for:

- Annual performance ratings/reviews.
- Special thank-you notes and similar recognitions.
- Preparing to conduct on-the-job training (OJT).
- Assisting the staff member in his professional development.
- Preparing awards/promotion recommendations.
- Reassignment/realignment of responsibilities.
- Setting new goals and objectives.
- Submitting repair or supply requests.
- Justifying equipment, facilities maintenance, etc.
- Justifying additional staff or changes in grade.
- Justifying changes in activities, events, products, or services.
- Counseling or discipline, etc.

☐ Use a tool like a personal journal, your things-to-do list, a pocket voice recorder, personal data assistant (PDA), note pad, your computer, etc.

Step 5 Keep a copy of the handout, “Why People Don’t Do What They Are Supposed To Do” with your notes, posted by your desk, and anywhere else you could use the list. *(See copy in the front pocket of the desk reference.)*

Step 6 When performance or behavior is not as it should be, ask questions before giving direction.

☐ Avoid being "hooked" by either the symptoms you observe or the staff member's words, voice, or body language.

☐ Always begin and end your communication on a personal level, placing the business purpose (coaching) in the middle. Return to the personal level as often as necessary to maintain effective communication.

☐ Explain what you observed.

☐ Ask questions appropriate to the situation/condition. **Seek the true problem.** (Use your Handout, Why People Don't Do What They Are Supposed To Do, as a guide for these questions.)

- Why should you.... do _____/ or behave in a certain manner?
- Explain when you...
- Tell me where you...
- How do you...?
- Why do you...?
- What do you need when you...?
- What do you do when you...?
- How much/many/fast...? (standards)
- What happens when you...?
- With, to, or for whom do you...?

☐ Ensure a positive instead of a negative dialogue.

☐ Discover what the staff member knows. Don't jump to conclusions about what he doesn't know.

☐ Clarify expectations, standards, methods, reasons, etc.

☐ Provide appropriate suggestions, directions, tips-of-the trade, etc.

☐ Answer the staff member's questions. Clarify as needed.

☐ Confirm agreement between you and the performer about what he is to do and how he will behave in the future.

☐ Reinforce good efforts, and willingness to change.

NOTE: Shift to Counselor when the inappropriate performance or behavior is due to the performer's choices.

Shift to Tutor when the inappropriate performance or behavior is due to the performer's skill/knowledge/ability.

Step 7 When performance or behavior is as it should be or better, COACH, COACH, and COACH some more! (That is to say, provide feedback, feedback, feedback! Believe it or not, each of your staff members wants to know how they are doing!)

☐ Always begin and end your communication on a personal level, placing the business purpose (coaching) in the middle. (Refer to MCCS World Class Customer Service Training.)

☐ Tell the staff member what you saw (or overheard). Be excited (or at least positively upbeat), specific, and complete.

☐ Thank him for what he did or how he behaved.

☐ Describe the importance and value of what he did or how he behaved.

- Connect the importance of the performance/behavior to the vision, mission, purpose, and guiding principles of your Program, business or office.
- If appropriate, connect the importance of the performance/behavior to the "bigger picture" of the department, organization, community, agency, country, environment, security, readiness, etc.

☐ Ask him to continue what he did.

☐ If appropriate, provide a tangible reward based on the excellence of the performance or behavior. (Refer to Task 6.10, Reward, Incentivize and Motivate Staff.)

- Match the size of the recognition to the size of the performance and/or the behavior.

NOTE: An effective coach always seeks opportunities to catch staff members doing things right and then reinforces their good work.

The coach is a cheerleader and the staff member's biggest fan!

Step 8 Help when asked, but only if appropriate.

IF THE QUESTION/REQUEST:	THEN:
Is a simple, straightforward request for information or assistance?	Just answer the question or help as asked/needed.
Suggests the staff member does not have the applicable skill, knowledge, or ability.	1. Ask questions to ascertain his understanding of applicable performance expectations, requirements, and standards. 2. Ask questions to ascertain his knowledge about who, what, why, where, when, to/for/with, how, and how well. 3. Based on his answers, shift to your Tutor role.
Suggests the staff member does not want to do what he is supposed to do.	1. Ask questions to ascertain his understanding of applicable performance expectations, requirements, and standards. 2. Ask questions to ascertain his willingness to perform or behave. 3. Based on his answers, shift to your Counselor role.
Is a complex request for information or assistance outside the staff member's principal duties or responsibilities?	1. Ask questions. 2. Listen to understand and for feelings. 3. Based on what he is saying/needing, shift to your Mentor role.

Step 9 Remove obstacles that are preventing or inhibiting correct performance or behavior.

☐ At every opportunity clarify expectations and standards.

☐ At every opportunity simplify details, procedures, policies, and regulations.

☐ Provide applicable information, tools, equipment, supplies, products, etc.

Step 10 Walk-your-talk everyday. *Don't say one thing and do another.* (See EMC Task 5.1, Model Exemplary Behavior: Walk-Your-Talk.)

☐ Take care of your:

- Customers/patrons.
- Staff members.
- Self.
- Family and friends.

☐ Trust your staff members.

☐ Respect your staff members.

☐ Empower staff members.

☐ Delegate challenging, rewarding, and developmental assignments and responsibilities.

☐ Incentivize your staff members with all manner of positive feedback, reinforcement, support, and reward.

☐ Demonstrate your Program, business or office guiding principles, values, and beliefs. Hold the entire staff accountable to these at all times.

☐ Accomplish your duties, tasks, and responsibilities in a professional manner.

☐ Solve problems.

☐ Make decisions.

☐ Manage/supervise daily operations.

☐ Ensure your facilities, equipment, machinery, vehicles, inventories, and supplies dazzle and delight your customers.

☐ ALWAYS be honest and truthful.

☐ Keep your promises--always deliver what you promised by the time you promised or earlier.

Step 11 **Ensure every staff member is clear on the following:**

☐ Why you are in business.

☐ Who you serve. (Both internal and external customers.)

☐ The vision of your Program, business or office.

☐ The mission and purpose of your Program, business or office.

☐ The values, beliefs, and guiding principles of your Program, business or office.

☐ The goals and objectives of your Program, business or office.

☐ Your current goals and objectives.

☐ His current goals and objectives.

☐ The plan of action and milestones of your Program, business or office.

☐ His duties and responsibilities.

☐ The competencies he must possess or develop.

☐ The expectations and standards for performance and behavior. How performance and behavior will be measured.

☐ How he fits into the "Big Picture." (Show illustration of organization chart.)

Step 12 Stay pumped!

☐ Excite and motivate your staff through your strength, energy, activity, support, reinforcement, positive comments, skill, knowledge, communication, positive body language, help, and **COACHING**.

☐ Reinforce the tools you and your staff get from the MCCS World Class Customer Service Training.

MCCS WORLD CLASS CUSTOMER SERVICE	USN STAR SERVICE
10 Ways to maintain a positive customer service attitude.	Positive Memorable Customer Experiences© (PMCEs).
Types of customers (internal, existing, potential).	Importance and values of extraordinary customer service.
Customer report card.	Knowing your customers (internal and external).
4 Basic behaviors of service excellence (look at me, smile at me, talk to me, thank me).	The customer report card.
10 standards of MCCS World Class Customer Service.	Core and customer service.
Lifetime customer value.	The four things customers want.
What customers want and expect (CSI).	The Human-Business Model.
Universal customer needs.	Barriers to service.
7 deadly sins in customer service.	Caring Responses.
Types of communication.	Hooks and staying “un-hooked”.
Body language.	The 6-parts of behavior.
Impediments to effective listening.	Voice tones.
Improving listening skills.	Words to use; words to avoid.
Asking questions effectively.	Body language.
Telephone professionalism.	Your tapes.
Self profile types.	“The Way It Is” model.
Dealing with difficult people.	Discounting.
Emotions in communication.	Reducing stress.
Doing the right things the right way.	Feelings.
Valving diversity.	Building rapport.
Stress relievers.	Defusing customer emotions.
Benefits of teamwork.	Reflective listening.
	Overcoming complaints and objections.
	Creating positive outcomes.
	Recovering from mistakes.
	Offering options.

STEP 12 (cont.)

☐ Practice one or two of these tools every day. Conduct regular, mini-OJT sessions about customer service. Make "Raving Fan" customer service a mission and a way of life, not another training program.

☐ Hold yourself and each of your staff members accountable for providing extraordinary customer service.

NOTE: The coach helps his staff turn customers/patrons into "Raving Fans" by being "Gung Ho!".

Step 13 Ensure each of your managers and supervisors are coaches!

☐ Attend, and ensure your managers and supervisors attend, support and endorse the skills covered in MCCS World Class Customer Service training.

Step 14 Congratulations, you are done Coaching (at work) for today, see you tomorrow..., and tomorrow......., and tomorrow, etc. ☺/

IF YOU NEED GUIDANCE ON:	THEN GO TO:
Counseling.	Page 4.8.29.
Tutoring.	Page 4.8.37.
Mentoring.	Page 4.8.51.

THE COUNSELOR (Steps 15 - 22)

NOTE: Unlike coaching, which should be part of your daily behavior, practice, method, and "style", **counseling** is typically accomplished as a planned event rather than a reaction.

Of course there will be many occasions when incorrect performance or inappropriate behavior is of such minor consequence (e.g., a simple oversight, a one time occurrence, a mistake, etc.,) you should deal with it on the spot but in private.

These type problems will be obvious to you, and your skill, knowledge, and experience will give you a solution appropriate to the situation.

When these minor corrections are necessary, you should:

- Explain what you saw or heard.
- Ask questions to confirm the staff member's understanding and perception of the performance/behavior and of the correct performance/behavior.
- Without embarrassing the staff member agree on a correction. (What he will change, stop, or start.)
- Monitor and reinforce improved performance or behavior.

End of problem, move on!

You will use the Steps in this section of the Task for the more difficult performance/behavior situations.

Read Task 4.3, Solve Performance Problems to prepare to counsel.

Step 15 Complete Steps 3 through 5 at the beginning of this Task which include:

- Observing daily operations.
- Keeping track of your observations with an information management system.
- Keeping copies of "Why People Don't Do What They Are Supposed To Do" with your notes, posted by your desk, and anywhere else you could use the list. *(See copy in the front pocket of the desk reference.)*

Step 16 Decide how quickly you must take action when you see, hear, or receive report of a performance/behavior problem.

IF:	AND:	THEN:
The outcome will be risky, illegal, dangerous, costly, or not in accord with important performance expectations, requirements, standards, or policy.	You know the correct course of action, and/or the applicable performance expectations.	1. Stop the performance. 2. Tell the person why he must stop. 3. Explain what you've observed. 4. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 5. If applicable, provide alternative guidance.
	You **DON'T** know the correct course of action, or the applicable performance expectations.	1. Stop the performance. 2. Tell the person why he must stop. 3. Explain what you've observed. 4. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 5. Ask him to take no further action until you can clarify the situation and provide guidance. 6. Get help/clarification so you know the correct course of action. 7. Provide feedback and direction as quickly as possible.
The outcome is of little consequence.	You know exactly what will improve the situation.	1. Stop the performance. 2. Explain what you've observed. 3. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 4. Provide appropriate direction.
	You're **NOT** sure exactly what the problem is or what needs to be done differently.	Go to Task 4.3, Solve Performance Problems. Return here after you analyze the problem and formulate one or more solution options.

Step 17 Based on the degree of importance of the performance or behavior problem, decide what action to take.

IF THE PERFORMANCE/ BEHAVIOR PROBLEM IS:	AND THE PROBLEM IS:	THEN:
A first time occurrence.	Of minor consequences.	1. Handle on the spot, but don't embarrass the staff member. 2. Be positive. 3. Explain what you saw or heard. 4. Ask questions to confirm the staff member's understanding and perception of the performance/ behavior and of the appropriate expectations and standards of correct performance/behavior. 5. Discuss and agree on a correction. (What he will change, stop, or start.) 6. Monitor and reinforce improved performance or behavior. Follow-up to ensure problem is resolved. **7. Stop here.**
	Of significant consequence.	Continue with Step 18.
A repeat occurrence.	→	

Step 18 Decide who needs to be involved in the counseling session.

IF THE PERFORMANCE/BEHAVIOR PROBLEM IS:	**THEN:**
Repeat occurrence that will draw little or no attention to your Program, business or office, to you, or to the staff member.	1. Involve your immediate supervisor. 2. Follow his guidance. 3. Continue with Step 19. 4. Keep your immediate supervisor and the NAF personnel specialist or human resources official apprised of progress.
Repeat and significant occurrence that will draw attention to your Program, business, office, to you, or to the staff member. **-AND-** Is likely to be disputed by the staff member on grounds of partiality, discrimination, technicalities, rules, regulations, policies, etc.	1. Involve your immediate supervisor and the NAF personnel specialists or human resources officials. 2. Follow your immediate supervisor's guidance and that of the NAF personnel specialists or human resources official. (This level may require disciplinary intervention.) 3. Continue with Step 19. 4. Keep your immediate supervisor and the NAF personnel specialist or human resources official apprised of progress.
One that is illegal or unlawful whether during working hours on-site or after hours on or off-site.	1. Involve your immediate supervisor, appropriate authorities, and the NAF personnel specialist or human resources officials. 2. See Task 6.14, Discipline Staff. 3. Comply with applicable rules, regulations, policy, procedure, guidance, and direction.

Step 19 Prepare for the counseling session. (See Task 6.14, Discipline Staff.)

☐ Ensure you are clear on what you observed or heard.

- Be especially clear on details if you are dealing with a "reported" performance or behavior problem.
- Review all facts ahead of time.

☐ Write the incorrect performance or inappropriate behavior.

☐ Write what constitutes correct performance or appropriate behavior.

☐ Write the reasons for the counseling session.

☐ Give the staff member a confidential notice of time and place. (A neutral site may be appropriate.) Important--attempt to put him at ease right away.

☐ Allot a minimum of 30 minutes for the session--more if you believe it will take longer to discover the real problem and come to agreement on a best solution.

☐ Ensure you will not be disturbed. (Find a private location.)

- No phone calls, pager notices, intercom calls, e-mail alarms, etc.
- No visitors or staff interruptions.

☐ Remove physical barriers and distractions. (Arrange seating appropriate to situation. Behind desk or opposite side of table for power. This is an adversarial position. Seated beside or face to face with no furniture between is a supportive, non adversarial position.)

☐ Outline what you will say and rehearse it.

☐ Plan to keep your notes in front of you and stick to them so you don't lose control.

☐ Plan to take notes during the session. Inform the staff member you will take notes. Provide copies as applicable to the situation.

Step 20 Conduct the counseling session.

☐ Define the purpose of the discussion.

☐ Put the staff member at ease.

- Always begin and end your communication on a personal level, placing the business purpose (counseling) in the middle.

☐ Explain what you observed, overheard, or what was reported.

- Define its impact on you, the Program, business, office, the department, command, community, agency, etc.
- Express your concern about the area of performance or behavior you want improved.

☐ Avoid being "hooked" by either symptom of a problem or the staff member's words, voice, and/or body language.

☐ Listen to the staff member's feelings. (See EMC Task 1.1, Listen for Understanding.)

☐ Let the staff member know you respect his ability to solve problems and develop solutions.

☐ Ask questions appropriate to the situation/condition. **Seek the true problem.** (Use your Handout, Why People Don't Do What They Are Supposed To Do, as a guide for these questions.)

- Why should you.... (do ___/or behave in a certain manner?
- Explain when you...
- Tell me where you...
- How do you...?
- Why do you...?
- What do you need when you...?
- What do you do when you...?
- How much/many/fast...? (standards)
- What happens when you...?
- With, to, or for whom do you...?

Step 20 (cont.)

☐ Ensure a positive instead of a negative dialogue.

☐ Discover what the staff member knows. Don’t jump to conclusion about what he doesn’t know.

☐ Get agreement from the staff member that there is a problem.

☐ Ask the staff member for his proposed solutions.

- Use open-ended questions to encourage the staff member’s analysis of the problem performance or behavior and to draw out specific suggestions.
- Build on the staff member’s suggestions and ideas.

☐ Ensure agreement upon appropriate actions.

☐ Ensure staff member is clear about all applicable performance and behavior expectations and standards.

☐ Agree on measures of improvement.

☐ If appropriate, schedule a follow-up meeting within the next 10 days to ensure accountability and provide progress.

☐ Thank the staff member for his contribution and willingness to:

- Stop doing or behaving in the current manner.
- Change how he is currently performing/behaving.
- Start doing or behaving in the agreed manner.

☐ End the session with positive and reassuring comments.

NOTE: If appropriate, use an observer to:

- Reduce likelihood of violent/unacceptable behavior.
- Witness details/facts of the counseling session.

Step 21 Document the counseling session. (Use the counseling documentation form located after page 6.14.40. in Task 6.14, Discipline Staff.)

Include at least the following:

☐ Date, name of Program, and start/stop time.

☐ Supervisor/manager (name).

☐ Who counseled? (Name and job title.)

☐ Reason for counseling session. (Describe the problem performance and/or behavior.)

☐ Discussion points and highlights.

☐ Outcome of discussion.

☐ Agreements on how performance/behavior will change.

☐ Comments/recommendations.

☐ Signatures.

Step 22 Congratulations, you are done Counseling. Return to your Coaching role.

IF YOU NEED GUIDANCE ON:	**THEN GO TO:**
Coaching.	Page 4.8.20.
Tutoring.	Page 4.8.37.
Mentoring.	Page 4.8.51.

THE TUTOR (Steps 23 - 36)

NOTE: Unlike coaching, which should be part of your daily behavior, practice, method, and "style", **tutoring** is most effective when accomplished as a planned event rather than a reaction.

Important--**tutoring** (training) can ONLY solve performance/behavior problems resulting from lack of skill, knowledge, and/or ability. (See notes section of Task 4.3, Solve Performance Problems.)

As a manager/supervisor you have many different training responsibilities including:

- Determining staff training needs.
- Providing job/performance aids.
- Simplifying policy, procedures, jobs, duties, tasks, and steps.
- Effectively communicating applicable changes to your staff.
- Maintaining Individual Development Plans (IDPs) / Learning Plans for each staff member.
- Maintaining a master training plan for your Program, business or office.
- Coordinating formal training. (Classroom, workshops, seminars, conference attendance, etc.)
- Conducting structured OJT.
- Answering questions! (*An instantaneous, mini-OJT session*. See Task 4.7, Empower Staff/Team Members.)

Your most significant and valuable training task and contribution to staff development/ improvement will be conducting on-the-job training (OJT). OJT is the focus of this section.

See Task 6.5, Train/Develop Staff, for complete guidance on training and developing staff.

Step 23 Complete Steps 3 through 5 at the beginning of this Task which include:

- Observing daily operations.
- Keeping track of your observations with an information management system.
- Keeping copies of "Why People Don't Do What They Are Supposed To Do" with your notes, posted by your desk, and anywhere else you could use the list. *(See copy in the front pocket of the desk reference.)*

Step 24 Decide how quickly you must take action when you see, hear, or receive report of a performance/behavior problem.

IF:	AND:	THEN:
The outcome will be risky, illegal, dangerous, costly, or not in accord with important performance expectations, requirements, standards, or policy.	You know the correct, course of action, and/or the applicable performance expectations.	1. Stop the performance. 2. Tell the person why he must stop. 3. Explain what you've observed/overheard. 4. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 5. If applicable, provide alternative assignments until the staff member receives applicable training.
	You **DON'T** know the correct course of action, or the applicable performance expectations.	1. Stop the performance. 2. Tell the person why he must stop. 3. Explain what you've observed/overheard. 4. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 5. Ask him to take no further action until you can clarify the situation and provide guidance. 6. Get help/clarification so you know the correct course of action. 7. Provide feedback, direction, and training as quickly as possible.
The outcome is of little consequence.	You know exactly what will improve the situation.	1. Stop the performance. 2. Explain what you've observed. 3. Question him to ascertain his understanding of applicable performance expectations, requirements, and standards. 4. Provide appropriate feedback, direction, and on-the-spot training.
	You're **NOT** sure exactly what the problem is or what needs to be done differently.	Go to Task 4.3, Solve Performance Problems. Return here after you analyze the problem and formulate one or more solution options.

Step 25 When performance or behavior is not as it should be, ask questions before giving direction or tutoring.

☐ Avoid being “hooked” by either the symptoms you observe or the staff member’s words, voice, or body language.

☐ Always begin and end your communication on a personal level, placing the business purpose (coaching) in the middle. (Refer to MCCS World Class Customer Service training.)

☐ Explain what you observed, overheard, or received in a report.

☐ Ask questions appropriate to the situation/condition. **Seek the true problem.** (Use your Handout, *Why People Don’t Do What They Are Supposed To Do*, as a guide for these questions.)

- Why should you.... (do _____/ or behave in a certain manner?)
- Explain when you...
- Tell me where you...
- How do you...?
- Why do you...?
- What do you need when you...?
- What do you do when you...?
- How much/many/fast...? (standards)
- What happens when you...?
- With, to, or for whom do you...?

☐ Ensure a positive instead of a negative dialogue.

☐ Discover what the staff member knows. Don’t jump to conclusions about what he doesn’t know.

☐ Working with the staff member, determine the gap between the staff member’s *current* performance/behavior and the *desired* performance/ behavior. (See Task 4.3, Solve Performance Problems.)

☐ Reach agreement with the staff member about what he *currently* doesn’t know and/or is unable to do.

☐ Answer the staff member’s questions.

☐ If the information is available, set a time for the staff member to receive training, otherwise promise to give that information to the staff member as soon as you can.

NOTE: You shift to Tutor when the inappropriate or unacceptable performance or behavior is due to the performer’s lack of skill/knowledge/ability.

Step 26 Select the most effective method to close the skill/knowledge gap.

IF:	AND:	THEN:
• The consequence of incorrect performance is severe. • The task is complicated or difficult. • The task is **NOT** performed often. • The use of job aids will **NOT** put the user in an embarrassing situation. • The work environment does **NOT** prevent use of job aids. (E.g., the performer can remove his attention from the task to follow the directions without risk of injury or equipment damage.)	→	Use job aids.
• The consequence of incorrect performance is **NOT** severe, hazardous, or risky. • The task is **NOT** complicated or difficult. • The task is performed often. • The use of job aids puts the user in an embarrassing situation. • The work environment prevents use of job aids. (E.g., the performer **CAN'T** remove his attention from the task to follow the directions without risk of injury of equipment damage.)	The task is one you or other staff members can train.	Train to recall using OJT.
	The task is **NOT** one you or other staff members can train.	Send staff member to formal (classroom) training, workshop, or seminar.

NOTE: Explanations on the application, pros and cons of these methods and how to accomplish each method is beyond the scope of this Task. See Task 6.5, Train/Develop Staff.

Each method is easy to use and well within the capabilities of everyone using this desk reference.

Frequently, the most effective training solution is one that uses a combination of job/performance aids and train to recall.

Step 27 Decide in advance of training what you will do with a staff member who *remains* unable to do something.

Your choices, depending on why the staff member is not performing as required, may include:

- Supervisory/management reassignment to another position without loss of pay. (*This is a non-disciplinary action*.)
- Reassignment of tasks among staff members having similar or same job descriptions. (*This is a non-disciplinary action*.)
- Redesign of the task, duties, or responsibilities. (*This is a management solution*.)
- Solve the performance problem through the application of technology and/or automation. (*This is a management solution. An example would be using a Point-of-Sale register.)*

NOTE: Refer to Task 6.8, Monitor and Improve Staff Performance to observe performance and use reinforcement, training, and coaching methods.

Step 28 Make a copy of the OJT outline form provided at the end Task 6.5 Train/ Develop Staff.

- It will help you prepare to conduct a structured OJT session.

Step 29 Using the OJT outline form, answer the following questions.

☐ Who needs to receive OJT?
☐ On What? When? Where? Why?
☐ What does the performer need to do to prepare for the OJT session?
☐ What does the performer need to bring to the OJT session?
☐ What do you need to do to prepare for the OJT session?
☐ What do you need to bring to the OJT session?
☐ What tools, equipment, supplies, and materials are needed to do the task?
☐ What is the purpose and importance of this OJT session?
☐ How will you introduce the OJT Session?
☐ What will you explain to the staff member that he will be doing during the OJT?
☐ What is the desired outcome of this OJT session?
☐ What will you do to demonstrate how and when (and when NOT) to do the task?
☐ What performance/job aids exist for this task? How will you show what each contains and explain how, when and why they are used?
☐ What difficult procedures, important safety issues, matters of tact and/or appropriate behavior, precautions, warnings, restrictions, limitations, etc., do you need to explain?
☐ How will you demonstrate both desired and undesired performance and/or behavior during the OJT session?
☐ What performance/behavior standards do you need to explain?
☐ How will you demonstrate/explain what is "correct" and what is "incorrect"?
☐ What do you need to follow-up on after this OJT session?
☐ What do you need to do to monitor staff performance after this OJT session?

Step 30 Plan to conduct OJT.

☐ Gather applicable checklists, worksheets, performance/job aids, illustrations, instruction forms, etc. These may be found in:

- Your SOPs.
- Equipment manufacturer's checklist/instructions.
- Vendor's checklists/instructions.
- Throughout this desk reference set.

☐ Review the staff member's work schedule and discuss the best time to conduct this OJT with him. (Schedule OJT during slow business times.)

☐ Tell staff member he will get paid for this training time.

☐ Post the dates/times on your master training plan/schedule.

☐ Prepare yourself to train only one task at a time so that the staff member(s) can practice before training on other tasks.

☐ Review Step 32 so you know what you will do during the OJT session.

☐ Review all applicable information, performance aids, etc., before conducting your OJT session(s).

☐ Practice before actually conducting your OJT session(s). Adjust your OJT processes, commentary, questions, demonstrations as necessary.

☐ Coordinate all necessary logistical support. (Location, supplies, materials, equipment, staff fill-ins, attendance, breaks, amenities, etc.)

Step 31 Prepare yourself and your managers and supervisors to reinforce/reward success and ensure the training "takes."

Decide in advance how you will:

☐ Ensure the staff member has the opportunity to practice and put to use the new skills, knowledge, and capabilities. (Assign them to the job for which they were trained.)

☐ Ensure your standards for performance are the same as the staff member acquired from the training. (You may need to agree on adjustments to align his performance with current practice, procedure, and policy. If there is a total mismatch between the training results and how you currently do business, you either selected the wrong training or you need to review your current practices.)

☐ NOT kill the staff member's motivation by discounting what he acquired during training.

☐ Ensure your staff member has what he needs to do the job. (E.g., tools, time, supplies, equipment, authority to do the job, etc.).

☐ Ensure the staff member is not punished when performing as expected.

Remember that you should:

- Reward the staff member for doing the right things at the right times.
- Reward the staff member for doing the right things a correct way vice "your" way.
- Provide appropriate and just-in-time reward and reinforcement as well as additional guidance/coaching.
- Provide appropriate and just-in-time feedback to sustain the staff member's new/changed performance.
- NOT ignore the staff member's new/changed performance just because he is performing correctly. Reinforce the staff member's value consistently and appropriately.

Step 32 Using your OJT Outline, conduct OJT.

☐ Start on time by telling the staff member what he will be doing.

☐ Explain the purpose and importance of the task.

☐ Demonstrate why, how and when (and when NOT) to do the task.

☐ Review all tools, equipment, supplies, and materials needed to do the task.

☐ If there is a performance/job aid for this task, show what it contains and explain how, when and why it is used.

☐ Work through the task, step-by-step, in short (2-minute) chunks. Ask interactive, open-ended questions about the procedures as you progress through the steps. (E.g., What do you see me doing now? Why is this important? What might happen if you....?, etc.)

☐ Read aloud the directions from the checklist or performance/job aid (if available) while demonstrating what you are reading and doing.

☐ Explain difficult procedures, important safety issues, matters of tact and/or appropriate behavior, precautions, warnings, restrictions, limitations, etc., as you come to them in the OJT process.

☐ Have the staff member use the checklist/performance/job aid and do the task while you watch and give encouragement/feedback.

- Be especially alert for unsafe conditions/actions.
- Praise the staff member when steps are done correctly.
- Be patient. If the staff member hesitates, you might ask, using these type of open-ended questions/statements, “What does the checklist say to do next?” ...or, “Before you do it, tell me how you think that should be done?”

Step 32 (cont.)

☐ Regroup if the staff member has difficulty completing the task.

- Break the task into smaller steps.
- Demonstrate each step again.
- Have staff member do each step immediately after you demonstrate.

☐ Be sure you demonstrate both correct and incorrect performance and/or behavior during the OJT session.

☐ Explain all performance/behavior standards as you progress and especially at the end of the task.

- Every performer needs to see what "correct" is.

NOTE: When staff member can do the task from start to finish, without error, while using a checklist, but no other help--your OJT session is finished.

Step 33 Follow up after each OJT session.

☐ Provide opportunity for staff member to practice and to continue using his new skills/knowledge.

☐ Don’t expect *perfect* performance right off the bat--the staff member needs adequate opportunity to practice.

☐ Record completion of training on your local Individual Training Record or cumulative record of training and IDP/Learning Plan.

- Ensure the NAF personnel office or human resources office (HRO) record the training in the staff member’s Official Personnel File (OPF).
- Database records.

☐ Observe the staff member’s performance periodically.

- Comment *(coach)* positively on correct performance. (State what you observed and how well it was done.)
- Correct *(counsel/tutor)* any incorrect performance you observe. (State what you observed and what was not done correctly.)

☐ Give recognition and, if applicable, a certificate/award.

Step 34 Monitor staff performance.

NOTE: The value and successful transfer of training depends on how well you and your staff supports and reinforces the training and the staff member(s) who attended.

☐ Ensure staff members have immediate opportunities to practice what they covered in training, otherwise the new skills/knowledge will be quickly forgotten.

☐ Ensure staff members have what they need to do the job (whether new or differently) to the standards you discussed before and after training. (E.g., tools, time, supplies, equipment, authority to do the job, etc.)

☐ Reinforce each successful new performance.

- Reward the staff member for doing the right things at the right times.
- Reward the staff member for doing the right things, a correct way vice "your" way.
- Provide just-in-time coaching and additional tutoring, if needed.
- Provide just-in-time coaching and feedback to sustain the staff member's new/changed performance.
- Don't ignore the staff member's new/changed performance just because he is performing correctly. Reinforce their value consistently and appropriately.

☐ Ensure staff members are not punished when performing as expected and as trained. (E.g., criticizing how/how well a staff member does something new.)

Step 34 (cont.)

☐ Tutor to obtain correct performance when your staff members need additional help.

- Don’t criticize a staff member or the training material.
- Each time you make negative comments about the training/trainers you devalue training and reinforce staff negativity.

☐ Ensure you don’t expect *perfect* performance right off the bat..., but rather give the staff member adequate time to practice.

☐ Ensure your standards for performance are the same that the staff member acquired from the training.

- You may need to agree on adjustments to align his performance with current practice, procedure, and policy.

☐ Take appropriate action if the staff member continues to perform incorrectly or inappropriately.

- Ask the staff member to explain or demonstrate task performance.

IF HE/SHE IS:	THEN:
Able to perform correctly under this supervision and observation.	1. The training is appropriate for successful performance. 2. Determine if the reason(s) for incorrect performance is due to: • Environmental situations/ conditions. • Motivation/Incentive practices/ systems. • Accountability. • Individual choice. (See Task 4.3, Solve Performance Problems.)
Unable to perform correctly under this supervision and observation.	1. Confirm that the staff member wants to perform correctly. 2. Seek alternative training and/or non-training solutions.

Step 35 Evaluate the results of all training and non-training performance improvement solutions. (Performance/job aids, OJT, formal [classroom style] training, etc.)

☐ Confirm that the original performance/behavior gap has been closed or reduced.

☐ Be alert for new gaps as the result of new requirements, technology, trends, customer/patron needs, etc. Repeat this Task when new performance gaps develop. *...and they will!* ☺

Step 36 Congratulations, you are done Tutoring. Return to your Coaching role.

IF YOU NEED GUIDANCE ON:	**THEN GO TO:**
Coaching.	Page 4.8.20.
Counseling.	Page 4.8.29.
Mentoring.	Page 4.8.51.

THE MENTOR (Steps 37 - 52)

NOTE: Unlike coaching, which should be part of your daily behavior, practice, method, and "style", **mentoring**, like tutoring and counseling, is most effective when accomplished as a carefully planned event rather than a reaction.

Being a mentor can be an awesome responsibility and opportunity. The mentor helps the mentee discover and develop his latent skill, knowledge, ability, and capability and to develop his life. In addition to immediate career development opportunities, the mentor helps the mentee achieve things beyond the mentee's immediate goals and perhaps beyond his imagination!

The mentor role doesn't apply only to staff--a mentor also helps colleagues, team members from other Programs, businesses, offices, community members, friends, and family.

The term mentor has come to mean a *trusted* advisor, friend, teacher, leader, guide, and one possessing wisdom. As expressed elsewhere in this desk reference, wisdom cannot be bought all at once, it must be paid for over time, by spending experience.

History suggests that mentoring is probably one of the oldest forms of human development. Mentoring goes beyond coaching, counseling, and tutoring. To mentor is to help develop the mentee for the responsibilities he will assume in the future. You will use your coaching, counseling, and tutoring skills while mentoring.

The steps that follow apply to any mentor/mentee relationship, but we will use a staff member and the workplace as a focus. (*The term "mentee" is used throughout this Task in place of "protégé" which current literature says is in less favor. Yippee, let's hear it for the politically correct. pliiitzzzz!* ☹)

Step 37 Complete Steps 3 through 5 at the beginning of this Task which include:

- Observing daily operations.
- Keeping track of your observations with an information management system.
- Keeping copies of "Why People Don't Do What They Are Supposed To Do" with your notes, posted by your desk, and anywhere else you could use the list. *(See copy in the front pocket of the desk reference.)*

Step 38 Decide if you are ready, willing, and able to mentor.

Ask yourself the following:

- Are you emotionally and psychologically ready to invest yourself (emotion, energy and time) in helping others?
- Do you have the skills, and freedom to devote to another person?
- Are you prepared to give up work and personal time to mentor another person?
- What do you have to offer? What are your strengths, weaknesses, skills, knowledge, abilities, hobbies, and interests?
- Are you able to detect when others are in need?
- Can you distinguish between symptom, problem, and feelings?
- Can you distinguish between perception and reality?
- Can you help and give to another person without worrying about what's in it for you?
- Are you patient, tolerant, flexible, and reasonably free of prejudice and bias?

NOTE: If you answer or feel mostly "no", then mentoring may not be for you. (Stop here.)

If you feel or answer mostly "yes", you are most likely a mentor already.

Either way, it's your choice to continue. If you are a mentor, or are ready to become one, the personal satisfaction will be well worth the effort.

Continue with the next Step.

Step 39 Answer the following questions to visualize one or more mentors that have influenced your life.

NOTE:	Don't blow off this Step--it will help you "picture" your mentors. To become an effective mentor, you need good role models.

Jot down your answers on blank paper or in your journal:

☐ Who taught you technical competence? What did they teach you and how? Why have you remembered him?

☐ Who most helped you understand how things work? What did he teach you and how? Why have you remembered him?

☐ Who taught you about the world and universe? What did he teach you and how? Why have you remembered him?

☐ Who taught you how to get things done in your Program, business, office, department, or agency? What did he teach you and how? Why have you remembered him?

☐ What are your principle/core values/beliefs? Who taught you these? How did he teach you? Why have you remembered him?

☐ What is your moral code? Who helped you develop these morals? What did he teach you and how? Why have you remembered him?

☐ How do you describe your true character? Who most shaped this character? What did he teach you and how? Why have you remembered him?

☐ Who taught you how to behave in social situations? What did he teach you and how? Why have you remembered him?

☐ Who most helped you develop your mental and physical health and fitness? What did he teach you and how? Why have you remembered him?

☐ Who guided you to respect and understand other people and their viewpoints? What did he teach you and how? Why have you remembered him?

☐ Who helped shape your spiritual self? What did he teach you and how? Why have you remembered him?

☐ Who taught, guided or moved you to do or be just about anything else? What did he teach you and how? Why have you remembered him?

Step 40 Examine the following list of things mentors typically do. (This list is provided to give you a glimpse of the many ways you can mentor.)

- Acclimate culturally diverse staff members to current organizational/team culture and vice versa.
- Accomplish succession planning and development.
- Adapt the organization to competitive challenges.
- Assist the mentee with his career.
- Assist in organizational change/development.
- Build and maintain trust.
- Challenge the mentee's beliefs and values.
- Challenge the mentee's skill and knowledge.
- Challenge the mentee's thinking, theories and philosophies.
- Coach, Counsel, and Tutor.
- Confront negative attitudes, behaviors, or beliefs.
- Cross-gender and cross-culture evolution and development.
- Describe and model professional behavior.
- Encourage critical thinking.
- Encourage the mentee to try new things.
- Ensure confidentiality.
- Explain how things work in the Program, business or office.
- Explain the "big picture" of how things work in the department or agency.
- Help solve problems (not just solve problems).
- Help the agency/department/team adjust to increased workplace diversity.
- Help the mentee develop confidence.
- Help the mentee develop self esteem.
- In-country mentors help globally mobile people adapt to unfamiliar cultures, mores and legal codes.
- Indoctrinate and guide those just entering supervision, management, and/or executive levels.
- Listen, paraphrase, emphasize.
- Offer friendship.
- Offer the mentee a "social mirror".
- Offer the mentee choices based on mentor's experience.
- Provide growth opportunities.
- Provide help from older, more experienced students/employees to younger, less-experienced students/employees.
- Provide sympathy and empathy at the appropriate times.
- Provide technical mentors to recently graduated/newly hired "non-technical" employees.
- Say things that the mentee chooses to quote.
- Share critical information, skills, and knowledge.
- Specify high expectations and/or performance standards.
- Stimulate and motivate gifted students/employees.
- Suggest appropriate courses of action.
- Teach by example.

NOTE: Of course you do many of these in your daily manager/supervisor roles of coach, counselor, and tutor. These become mentor accomplishments when they help the mentee become more than he believes or imagines.

Step 41 Contrast the good to the bad; the mentors to the anti-mentors.

☐ Review the questions in Step 39 and the points in Step 40.

☐ Think about all of the supervisors, managers, "bosses", coaches, teachers, family members, and other guides or leaders who performed and behaved in a manner that made you want to forever avoid them and whatever it was they were peddling.

☐ Jot down the methods and behaviors these "anti-mentors" used that caused you to feel this way. Record your insights from this Step in your personal journal, goals and objectives, etc. These anti-performances, methods, practices, and behaviors are those you will avoid as coach, counselor, tutor, and MENTOR.

> **NOTE:** The performances and/or behaviors of these anti-coaches, counselors, tutors or mentors need not have been mean-spirited, inappropriate, illegal, irreverent, off-color, politically incorrect, biased, bigoted, sexist, racist to have negatively influenced you. They may have just been totally uninspiring, transparent, and boring.

Step 42 Prepare a list of people for whom you now are, or might become, a mentor.

> **NOTE:** One of the best ways to accomplish anything is to first decide to do it, then write it down as a goal. Becoming a mentor is no different. The rewards of mentoring are great and are worth including among your regular personal and/or professional goals.

Step 43 Next to each mentee's (or prospective mentee's) name, list what you can do to help.

- Keep this simple.
- Refer to the list in Step 40.

Step 44 Commit to mentoring actions.

☐ Remain vigilant for opportunities to:

- Help and guide the mentee.
- Challenge the mentee's abilities and capabilities.
- Help the mentee clarify his thinking.
- Help the mentee clarify his feelings.
- Cause the mentee to expand his thinking, vision, imagination, and perspectives.
- Be the spark that excites the mentee.
- Help the mentee solve problems.
- Help the mentee understand how his efforts contribute to the whole.
- Help the mentee see his efforts as much more than just products, services, activities, events, information, outcomes, or accomplishments.

☐ When one or more of these opportunities presents itself, negotiate a mentorship agreement with the prospective mentee.

- Clarify both mentor and mentee roles, responsibilities, and especially expectations.
- Agree on who will do what, where, when, and why.
- Agree on honesty, disclosure, and confidentiality.
- Agree on what measurement will signify success.
- Discuss anticipated gains/improvement/change.
- Avoid conflict or misunderstandings by discussing all assumptions.
- Negotiate differences.

NOTE: Mentoring is more an art than a science in which you must make the best of a given situation.

Successful mentoring unites your wisdom, experience, knowledge, skills, ability, feelings, and intuition with the mentee's situation.

Step 45 Look for opportunities to fill the cracks and gaps between your mentee's training and the realities of the job, the bigger picture, and/or life.

☐ When one of these opportunities presents itself, negotiate a mentorship agreement with the prospective mentee.

NOTE: Our increasingly complex and technological environments create needs for information, insights and in-depth understanding that are outside the normal information, communication and training channels.

A vigilant and effective mentor can fill this need.

Mentees will sometimes need mentoring from more than one person. A mentor can identify and introduce additional mentors to the mentee.

Step 46 Choose to extend yourself past coaching, counseling, and tutoring.

NOTE: The previous sections of this Task guided you back from tutoring and counseling to coaching--the role you should remain in most of the day.

You go beyond basic coaching, counseling, and tutoring into mentoring when your help and guidance result in personal and professional growth.

You are mentoring when your help and guidance lights a spark within your mentee; opens new vistas; expands the dimensions of the mentee's thinking; affirms his worth; maintains/increases his self-esteem; increases his courage; and awakens and encourages the mentee's potential.

Step 47 Focus more on ***what*** the mentee does than ***how*** he does it.

☐ Respect his current capacities, skill, knowledge, ability, and feelings.

- He needs to figure out how to do whatever it is you are mentoring. This way, he will come to own the change in his performance/ behavior.
- This requires that you give up your need to "control" or have things done your way. As a mentor, this should not be important.

☐ Deal with "how" to do things as coach, counselor, and/or tutor.

Step 48 Ensure you and your mentees are in a state of lifelong self-development.

☐ Stay true to your basic values, beliefs and guiding principles.

☐ Stay abreast of your professional/technical field and literature by developing and mastering:

- Core technical skills and knowledge.
- General business management skills and knowledge.

☐ Stay abreast of current national and international events, situations, and conditions.

☐ Stay abreast of current community, county, and state events, situations, and conditions.

☐ Develop new interests, hobbies, skills, knowledge, and abilities.

☐ Evolve as a mentor by mastering:

- Listening skills.
- Interpersonal skills and knowledge.
- Coaching and tutoring skills.
- Counseling, negotiation, and confrontation skills.

☐ Maintain your physical, emotional, psychological, and spiritual condition.

NOTE: Our world changes at an unbelievably rapid rate. Effective mentoring requires you to stay current on a wide range of subjects. You must decide which subjects, skills, knowledge, and abilities you will keep current and which ones you will attempt to master.

Step 49 Be sensitive to the impact of change on your mentees.

☐ Monitor progress and outcomes.

- Mentoring often results in challenging opportunities and/or significant and sometimes intense personal insights. These typically drive change.

☐ Monitor your mentee's behavior for signs of the following:

- Fear/apprehension.
- Reluctance to proceed.
- Anxiety.
- Returning to prior methods/habits, performance, or behavior.
- Changes in personal relationships.
- Physical, emotional, psychological stress.

☐ Monitor and mentor success.

- Even success may result in anxiety. The mentee may be afraid of not being "good" enough. He may feel unable to measure up to expectations and standards.

- Remain available to reinforce his confidence, capabilities, values, and worth.

NOTE: See additional information in EMC Task 4.4, Manage the Change Process.

Step 50 Help with the change process.

☐ Help the mentee develop a vision of how he and things around him will be when things have successfully changed.

☐ Give the mentee time to absorb the new vision.

☐ Give the mentee time to adjust to new/different performance and/or behavior.

Step 50 (cont.)

☐ Provide coping mechanisms and guidance.

- Ensure all discussion of the future is made in positive terms. It's too easy to discuss everything that may be wrong as a result of change.

- Provide plenty of verbal reinforcement.

- Encourage continued or even increased participation in healthy and fun pursuits. (Drinking and drugs are not a positive coping mechanisms.)

☐ Allow time to ponder and internalize the difference between what was and what is (or will be).

☐ Help him develop a plan of action and milestones.

☐ Don't expect instant or complete change.

☐ Coach, counsel, and tutor as applicable to the focus of change.

☐ Reward and reinforce all progress. (Provide feedback!)

☐ Ensure you remain available to:

- Listen.
- Coach, counsel, and tutor.
- Reinforce and reassure.
- Empathize.
- Comfort.
- Understand.

☐ Identify and verify the mentee's feelings.

☐ Confront negative intentions or behaviors.

☐ Provide necessary information.

☐ Encourage exploration of options.

Step 51 Be conscious of your position relative to the position of your mentees.

- As a mentee's manager/supervisor you have organizational power that can help, but also complicate your effectiveness as a mentor.
  - Discuss these with your mentee when he is a direct report or is a member of your staff.
  - Decide if it would be better for someone outside his chain of command to be his mentor. This person should be someone you cannot or are unlikely to influence.
- Consider this relationship/position issue before mentoring anyone. (Friend, family member, community member, colleague, team member, etc.)

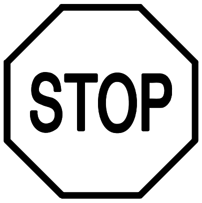
NOTE: This does not suggest you will be ineffective or unsuccessful as a mentor in these positions. It simply means you need to examine all your areas of influence over the prospective mentee.

When you have the power of persuasion, promotion, reward and punishment, you and the prospective mentee should examine and discuss the short and long-term realities of a mentoring relationship.

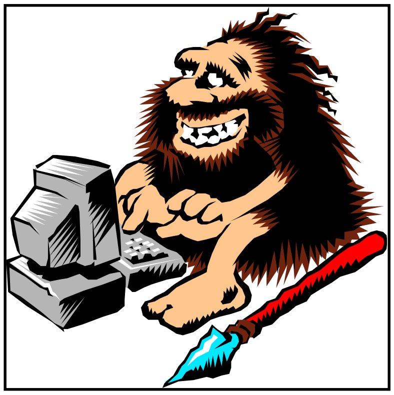
These powers over the mentee can play against trust, fairness, open communication, honesty, and a complete helping, caring, nurturing relationship.

Step 52 Congratulations, you are done Mentoring. Return to your Coaching role.

IF YOU NEED GUIDANCE ON:	THEN GO TO:
Coaching.	Page 4.8.20.
Counseling.	Page 4.8.29.
Tutoring.	Page 4.8.37.



Congratulations! You've completed this task.



COCOTUMEN REMINDS YOU:

(1) COACH.
(2) COUNSEL.
(3) TUTOR.
(4) MENTOR.

These are each part of a whole--when combined they are you as leader, manager, supervisor.

and COCOTUMEN adds...,

☺ ***Ensure the customer/patron is happy and his/her needs are met.***

☺ ***Keep the place and everything clean.***

☺ ***Have fun every day!***

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 - MANAGE BUDGET/FUNDS

WHAT THIS DUTY DOES

Planning your Program's activities, events, products, and services, and ensuring routine maintenance and inspection of your facilities, machinery, tools, vehicles, and equipment is the basis of successful Program operations and excellent customer/patron service.

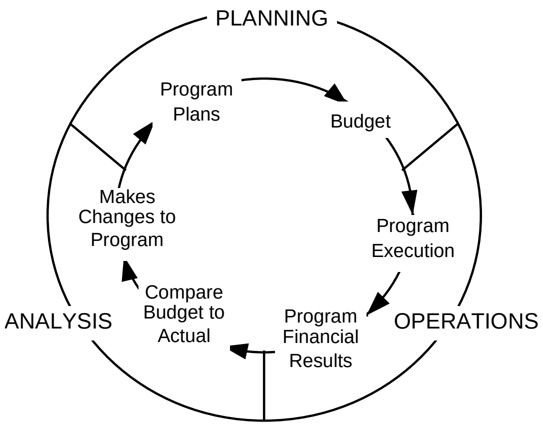
But, you must have an effective and efficient budgeting and execution process to execute these Program plans.

You should be ***pro-active*** by projecting your income and expenses, staying abreast of your cash position or available funds, and by using your resources in a timely and cost effective manner to minimize problems, be prepared for contingencies, and to meet your Program plans, goals and, objectives.

This juggling act requires that you apply your financial analysis skills to monitor Program results and to make the frequent Program adjustments needed to execute your Program plans, goals, and objectives.

The illustration below depicts a typical management cycle of plan, do, check, and act. Duty 5.0 principally focuses on the plan and check portion of the cycle.

By doing the following tasks, you will help yourself pro-actively manage your resources:


PLANNING
Program Plans
Budget
Program Execution
OPERATIONS
Program Financial Results
Compare Budget to Actual
ANALYSIS
Makes Changes to Program

5.1 Prepare NAF Budget Projections.

5.2 Prepare APF Budget Input.

5.3 Monitor NAF & APF Budget Execution.

5.4 Analyze Financial Statements.

5.5 Evaluate Current Fees, Prices, and Charges.

5.6 Control Receipts and Cash.

5.7 Manage Petty Cash Fund.

5.8 Manage Change Fund.

5.9 Close Out Daily Financial Transactions.

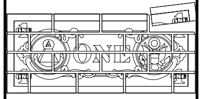
5.10 Conduct Surprise/Unannounced Cash Count.

5.11 Prepare Combined Federal Campaign (CFC) Input.

5.12 Determine Break-Even-Point (BEP).

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.1



Prepare NAF Budget Projections

DO THIS TASK WHEN

- You receive the NAF budget guidance memo from MR and/or MCCS AC/S, Director, and/or Chief Financial Officer (CFO); APF budget guidance from the base/station comptroller.
- You are directed to develop a plan of action and milestones (POA&M) to meet specific goals. (E.g., downsizing, mid-year adjustment, etc.)
- You are planning the annual activities/events calendar for your Program.

REFERENCES

- DoDINST 7000.14 (series), Financial Management Regulation.
- MCO P1700.27 (series), MCCS Policy Manual.
- SECNAVINST 5370.2 (series), Standards of Conduct and Government Ethics.
- Current budget call letter from MR and/or MCCS AC/S, Director, and/or Chief Financial Officer (CFO).
- DOD Directive 1015.14, Establishment, Management and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources.
- DoDI 1015.15 Procedures for Establishment, Management and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources.

SUPPLIES/ RESOURCES

- Local budget forms/work sheets.
- Current financial statements.
- Previous fiscal year’s final financial statements.
- Copy of current fiscal year’s approved budget and the working papers used during preparation of it.
- Budget call memo from your MCCS AC/S, Director, and/or CFO.
- Uniform Funding and Management (UFM) Practices Memorandum of Understanding (MOU) and other relevant MOU’s, if any.
- Computer with spreadsheet software.
- Your Program’s Goals and Objectives and Long-Term SBP.
- Current and prior year’s APF Cost Account Code (CAC) budgeted and actual information.

THIS TASK IS DONE CORRECTLY WHEN

- Budget projections are submitted within time frame specified by the MCCS AC/S, Director/MR, CFO budget call.
- Budget is aligned with MCCS financial standards and goals for your Program.
- A budget narrative, or narrative input/details containing Program description and justifications are prepared/ provided as required.
- A realistic and workable financial plan for the next fiscal year is produced.
- Budget projections meet Program standards and guidelines specified by higher authority.

SUPPORT AND PROGRAM MANAGERS

In this task, we describe the processes necessary for operational and support program managers to provide budget input.

- Use only the steps in this task that are appropriate to your Program operations.

Requirements. The following budgets will be prepared by all activities down to the department level at a minimum:

- Three-Year Capital Expenditure Budget.
- Annual MCCS Activity Appropriated Funds Support Summary Budget.
- Annual NAF operating budgets will be prepared for all branches.
- Cash Flow Budget

NOTES

This task requires basic spreadsheet and business math skills and knowledge. Computer skill and knowledge will ease the workload and reduce the time needed to complete this task.

AC/S or Director MCCS. The AC/S or Director has overall responsibility for ensuring the staff creates a budget that supports the program’s strategic goals and realistically forecasts operational performance.

Chief Financial Officer. The MCCS Financial Officer coordinates the budget formulation and preparation efforts. The Financial Officer will directly assist operating managers in developing realistic budgets and briefing these budgets to the AC/S MCCS and the Commander. The Financial Officer will also ensure the budgets are properly loaded into the accounting system before the published deadline each year.

NOTES (cont.)

NAF Resource Allocation. The fiduciary responsibility of the commander and AC/S or Director MCCS requires that NAF/APF resources are allocated in a manner that provides a well-rounded MCCS program for Marines and family members and meets the strategic goals of the MCCS.

The budgeting process has five parts: budget formulation, budget preparation, budget approval, budget analysis, and budget revision. The annual cycle begins when CMC (MR) proposes budget guidance to the Budget and Oversight Committee and subsequently to the Board of Directors. After approval, CMC (MR) issues budget guidance to all field programs. Commands will formulate the budgets and load them directly into the accounting system two weeks before the fall Budget and Oversight Committee meeting. This committee will review the budgets and either direct changes or submit them to the BOD for approval. Once approved, CMC (MR) will monitor performance against these budgets and report operating results to the field and the board.

Budgeting and planning go hand in hand and should be performed in conjunction with each other. Put another way, the budget is the translation of your plans into financial terms. The budget should incorporate every element of the operation, to include anticipated changes in programming, hours of operation, fees, prices, and charges, and inflationary trends.

When completed, the budget will serve as a report card and be used to analyze your actual results. The budget will set benchmarks to allow you to gauge your Program's operational effectiveness against a set of pre-established guidelines.

Remember that budget input is needed for each line item that affects your Program. You will need to study the current year's financial statements to identify the line items that affect your Program and those with the highest impact.

The actual budget preparation/input process, which typically changes each fiscal year, is not shown in this task. Current submission processes require that the final budget be submitted in Microsoft's Excel format.

NOTES (cont.)

- An example of a local budget guidance memo is provided after page 5.1.23.
- Each year's preparation and submission processes are detailed in an MR budget call and local budget guidance memo.

This task outlines the procedures you need to prepare **projections** for the budget input process.

AXS-ONE CHART OF ACCOUNTS

You will be working with the AXS-ONE Finance Software.

NOTE:	You will need to use the AXS-ONE Structure to identify the line items on your financial statement. The following explains and provides examples of how AXS-ONE Structure classifies/displays your daily financial transactions on your financial statement.

AXS-ONE structure consists of three letters and as many as 16 digits. Here is how it is displayed:

XXX-XXXX-XX-XXXX-XXX-XXX

The first three letters are coded with the company which is the Command. Example: ALM which represents Albany, YUM for Yuma, etc.

The next four digits are coded with the type of business (cost center number). Example: 1011 which equals Main Exchange, 5100 equals Intramural Sports, etc. The Company with the business is a seven digit combination identifier called the ORG.

The next two digits are the Command key which is used to record the cost center number on the location level. Example: 01 represents Retail, 02 is Food and Hospitality, etc.

The next four digits are coded with the General Ledger Account Code. Example: 4101 records Sales, 6101 equals Salaries, etc.

AXS-ONE CHART OF ACCOUNTS (cont.)

The next three digits are the sub identifier which records data in a more specific manner. Example: 001 equals freight, etc.

The last three digits are the department identifier which records specific data. Example: 304 equals Football in the Recreation Branch, etc.

Example: If you have a AXS-ONE Structure coded ALM-1011-01-4101-000-000, you are recording a Retail Sale in the Main Exchange in Albany.

NOTE: Task 5.4 pages 5.4.65 - 5.4.73 shows excerpts from the AXS-ONE Chart of Accounts. (Always use the current chart of accounts.)

Validate the accuracy of the account numbers by contacting your local MCCS Financial Manager when it becomes necessary. They will be able to answer your questions regarding which account numbers to use with what businesses/cost centers.

ABOUT THIS TASK

The following steps will take you through the major categories that have a definite effect on your budget.

- This task will NOT guide you through the actual input of the figures either electronically or on a paper form.
- The provided checklists include factors you should consider while preparing your budget. While these are not all-inclusive, the most important categories have been included. (E.g., Revenue, COGS, and Labor.)

MCCS NAF and APF budgets are shaped by the needs of the Command as defined by the Commanding Officer, the MCCS AC/S, Director, MCCS Program, and the MCCS customers/ patrons.

PROCEDURE

Step 1 Upon receipt of your MCCS Program's budget call guidance memo from your immediate supervisor, review the budget guidance information to determine the following. (See example at end of this task.)

☐ Financial goals for your Program.

☐ Percentage increase for inflation and personnel costs.

☐ Milestones for submission of input/other important due dates.

☐ Budget peculiarities such as what department expenses will be carried in what accounts.

☐ Members of the MCCS Department staff who can assist you in budget preparation.
- Personnel & Financial Managers.
- Procurement & Payroll staff.
- Maintenance Supervisor.
- Your assistant/other staff.

☐ List of AXS-ONE accounts to use and a description of each account. (Remember to use the current chart of accounts.)

☐ How input will be organized. (E.g., your Program separately, or grouped with other Programs.)

☐ Prescribed format, forms and justification requirements for submission of data.

☐ Unit deployments, decreases/increases in base loading.

☐ Regionalization or down-sizing guidance or directions.

☐ The availability of the budget call data collection diskettes.

☐ Expenses allocated to your Program for staff who work in multiple Programs.

☐ Total work hours and holidays for each month. (Consider impact of holidays regarding pay shifts, differentials and premiums.)

☐ Dates for local Command and Marine Corps-wide special events and celebrations.

☐ Public works estimates for utilities, maintenance and repair, etc.

☐ Advice on authorized deviations from locally established goals/standards, (e.g., an allowed percentage, or dollar amount, etc.).

☐ A requirement to submit some or all of the budget narrative to your immediate supervisor.

☐ Your part of the budget projection process also includes:
- Capital expenditure needs.
- APF requirements.

Step 2 Gather the following documents and information for use in budget preparation.

☐ Any MCCS instruction or departmental SOP concerning budgets or planning.

☐ Budget forms and Program-level working papers.

☐ Your Program's financial statements for each month of the current fiscal year and prior fiscal year. (See Task 5.4, Analyze Financial Statement. If you are unfamiliar with the finance statements, get a briefing from your MCCS Finance Office.)

☐ Current AXS-ONE Charts of Accounts.

☐ Your current year's budget working papers and documentation for any revisions you have made.

☐ Inflation factor for the budget year which should be in budget call guidance memo.

☐ Prior year's and YTD Program evaluations and histories.

☐ Depreciation expense data.

☐ Labor reports/data.

☐ Scheduled and actual hours worked, with variance analyzed.

☐ Capital expenditure requirements.

☐ Training requirements for you and your staff.

☐ Needs list. (E.g., yours, customer's/patron's, Command's, etc.)

☐ Your Program's activities/events calendar for the budget year.

☐ Your copy of the MCCS master calendar for the budget year.

☐ List of holidays, number of workdays for each month of the budget year. (This may be in the budget call guidance memo).

☐ Wage increases planned for your staff including local area wage survey increases, pay information and local (foreign) national changes. (Except for normal step increases, this information is usually in budget call guidance memo.)

☐ Base loading and deployment levels for the year which should be in budget call guidance memo.

☐ Regionalization or down-sizing impact information.

☐ User/usage data for your Program.

☐ On-base and public/private sector competition data.

☐ Program goals and objectives.

☐ UFM and other relevant MOU's.

☐ Information regarding Other Income sources for your Program. (E.g., MCX Amusement Machines, Commercial Sponsorship, etc.)

Step 3 Review the following financial information (as well as items identified in Step 2) as resources to identify trends, and to track the current budget execution during the budget preparation process.

☐ Current year's NAF budget input.

☐ Current fiscal year Program's Financial Statements.

☐ Operating expenses sections of the Detail Profit & Loss (P&L) Statement.

☐ Most recent Budget/Variance reports, (i.e., budget compared to actual--the "variance report").

☐ Your Program's historical patterns of operations including seasonal fluctuations, customer/patron usage, etc., that impact your operation.

Step 4 As you prepare your budget input, review the ideas provided in the enclosure at the end of this task titled, Solicit/Obtain Creative Funding & In-Kind Services to identify sources of additional funding & in-kind services.

Step 5 Determine whether you will input and file your budget projections electronically or whether it will be necessary for you to provide paper copies of your locally developed work sheets to your immediate supervisor for back-up documentation or justification purposes.

IF:	AND:	THEN:
You receive the actual Microsoft Excel template disk and	your local procedure is for Program Managers to submit all their budget input electronically.	Go to Step 6.
You are required to provide paper copies of all the budget projections.	→	1. Make copies of your work sheets. 2. Go to Step 7.

Step 6 Install the Microsoft Excel budget template on your local computer, if you haven't already done so, and explore the various options and work sheets available as part of the computerized template.

Consider the following:

- Have you been given the operating budget package for your Division/Program/Cost Center?

> **NOTE:** Whether you submit your projections electronically or on paper, the thinking process should be the same. Use whatever methods you are comfortable with to record your calculations. You may use a calculator and note pad or an electronic spreadsheet of your own design to register your thoughts, assumptions, or figures that support your projections.
>
> Proceed with the remaining steps in this task as it directs your thinking about what has happened during this fiscal year, what might be changing in the next fiscal year, and how these changes will affect your budget. Follow your local MCCS Program guidance.

Step 7 Develop your monthly budget input for Program Sales/Income.

☐ Determine how you are doing thus far for the current fiscal year for this account. (Use the budgeted amounts for months where actual data doesn't exist.) i.e., if doing budget in September you don't have actual for September- January.

☐ Review each item in the following checklist to examine what might change during the next fiscal year.

☐ Make the adjustments to the current amount which becomes your budget input.

Step 7 (cont.)

PROGRAM SALES/INCOME CHECKLIST

☐ Are there differences in your competition that now draws your customers/patrons from your Program to theirs? (Or vice-versa.)

☐ Any changes or new discoveries of your customers'/patrons' needs and wants disclosed through:

- Focus groups?
- Comment cards?
- Individual interviews?
- Brief surveys?
- A review of MCCS-wide and locally collected data?

☐ Any new marketing/merchandising initiatives?

☐ Any identifiable innovations to programs that make them:

- Different (adds a new twist)?
- Better (more interesting, informative, developmental, educational, and FUN!)?
- Have more perceived value?
- Involve more staff (both numbers and commitments)?
- A theme activity?
- A special event?
- Have more or different customer/patron involvement?

☐ Any new or recently changed promotional and/or advertising efforts?

☐ Any improvements to the appearance of the facility?

☐ Any additional sources of income that are applicable to your Program? (Look at these as ways to increase resale/program revenue.)

- Amusement Machines.
- Concessions.
- Sponsorships.
- Dues.
- Lessons.
- Commissions.
- Service charges/Cover charges.
- Memberships.
- Pro Shop items.

- Branded (Franchise-like) concepts.
- Contract for value-added services relevant to the Program, event (e.g., flower vendor, caricaturist, photographer, entertainment).
- Co-location and/or bundling (partnering) with other MCCS Programs and Exchanges. (E.g., kiosks, ITT sales booths, etc.).

Continued on next page.

Step 7 (cont.)

PROGRAM SALES/INCOME CHECKLIST

☐ Any additions, expansions, changes, or deletions to the days/hours of operation?

☐ Have there been any increases in how much each customer/patron spends?

☐ Any planned changes to fees, prices, and charges? (See Task 5.5, Evaluate Fees, Prices, and Charges).

☐ Any new products/merchandise/services being offered?

☐ Any recognizable increases in the customers'/patrons' frequency of use or introducing guests to the Program because of:

- Automation?
- Product/services sales and promotions training?
- Sales methods and techniques training?
- Product mixes?
- Product displays?
- Pricing?

☐ Any planned or existing customer/patron service initiatives to improve:

- Exceptional customer/patron care?
- Quality of products that customers/patrons want?
- Quality of services that customers/patrons want?
- Professional staff?
- Attractive and well maintained facilities?
- Attractive, clean, up-to-date, well maintained equipment?
- User friendly systems?
- Effective signage?
- Value as perceived by the customer/patron, NOT by management?
- Effective and visible customer/patron feedback systems?

☐ Any anticipated differences in the number of authorized users?

Step 8 Develop your monthly budget input for Cost of Sales, if applicable to your Program.

- ☐ Determine how you are doing thus far for the current fiscal year for this account. Use the budgeted amounts for months where actual data doesn't exist.
- ☐ Review each item in the following checklist to examine what might change during the next fiscal year.
- ☐ Make the adjustments to the current amount which becomes your budget input.

Step 8 (cont.)

COST OF SALES CHECKLIST

☐ Any anticipated inflation impact that would increase costs?

☐ Any differences in standard operating procedures (SOP's) for all elements affecting critical daily operations. (Internal controls, record keeping, inventory control, separation of functions, money handling, customer/patron complaints, etc.)?

- Easily accessed by entire staff?
- Reviewed and updated at least annually?
- Developed with staff input?
- Periodically reviewed by staff and documented?

☐ Do your purchasing/bidding processes provide for:

- Solicitation of price quotes from at least three sources for purchases over $5000?
- Assurance that purchases below $5000 are equivalent to fair market value?
- Taking advantage of AFNAFPO, MCX, AAFES, government sources, contract and prime vendor processes?
- Taking advantage of the buying power in collective purchasing with your like-business/Program area colleagues? (E.g., golf, bowling, childcare, youth, recreation equipment, etc.)

☐ Is a procedure in place that guarantees that you know your total cost before calculating and setting fees, prices and charges? Your total costs include:

- Actual cost of item, ingredients, material, product, etc.
- Freight charges.
- Packaging/shipping and handling charges.
- Actual yield from raw product.
- Production methods that cause loss/waste of product.
  (DO NOT include labor costs when calculating costs.)
- Impact of markdown sales, etc.

☐ Any changes to your selling prices?

☐ Any new or different point-of-sale equipment?

☐ Any differences in the sizes/variety/quality of the products sold?

Continued on next page.

Step 8 (cont.)

COST OF SALES CHECKLIST

☐ Any mandated changes to the mark-up/cost of sales percentages?

☐ Any differences or innovations in the methods to minimize waste by controlling/ ensuring:

- Receiving methods and policies?
- Storage areas?
- Preparation methods?
- Use of portion control tools/equipment and SOP's?
- Production levels through forecasting methods? (E.g., usage/historical customer/patron data, etc.)
- Access to supplies, equipment, materials, and products?
- First products in--first products out (FIFO)?

☐ Have you minimized loss by preventing/controlling/maintaining:

- Staff and customer/patron theft?
- Accidental/intentional damage?
- Non-promotional giveaways?
- Shoplifting?
- Supplies, equipment, products, and materials through regularly scheduled and spot inventories?
- Sensitive/high cost/desired supplies, equipment, products, and materials through daily spot inventories or physical control(s)?
- Undocumented movement of products within and between departments?
- An effective "Returns" policy from customers/patrons and to vendors?

☐ Any changes to the controls of cash and near cash through:

- Separation of function?
- Proper use of cash registers?
- Control and use of cash bags?
- Surprise/unannounced cash counts?
- Using sales receipts for high cost items?
- Controls on ticket sales and staff purchases? (See Task 5.6, Control Receipts and Cash.)
- Ensuring correct use of Daily Activity Records (DAR's)?
- Receipted returns?
- Use of over-/under-ring slips?
- Check cashing policy (including bad debts/checks)?
- Credit/bank card policy?
- Collection of accounts receivable?
- Use of surveillance equipment?
- Use of mystery shoppers?
- Coupons, discounts, gift certificates.

Step 9 Develop your monthly budget input for labor costs.

- ☐ Determine how you are doing thus far for the current fiscal year for this account. Use the budgeted amounts for months where actual data doesn’t exist.
- ☐ Review each item in the following checklist to examine what might change during the next fiscal year.
- ☐ Make the adjustments to the current amount which becomes your budget input.

Step 9 (cont.)

LABOR COST CHECKLIST

☐ Any adjustments in your staff position descriptions?

☐ Are changes to your staffing levels/guidelines required to handle the workload as specified by:

- Regulation/law?
- Industry standards?
- Guidance from MCCS AC/S, Director, MR, CFO, MCCS Program managers?
- Historical perspectives (what staff mix works and what doesn't)?
- Table of Organization (TO).

☐ Any anticipated changes to the scope or the days/hours of operation?

☐ Have adjustments been made to minimize labor costs by:

- Using minimum staff numbers relative to the scope of work?
- Balancing number of staff to ensure customer/patron needs are met without "burning out" staff members?
- Adjusting staff numbers relative to work fluctuations (e.g., seasonal staff/ demands, daily/hourly demands, payday peaks)?
- Minimizing overtime?
- Scheduling to avoid/minimize payment of premiums/differentials?
- Cross-training staff?
- Ensuring all staff members are fully trained and qualified?
- Using automation and state-of-the-art equipment and tools?
- Using incentive programs? (E.g., cash awards, bonuses, service awards.)
- Developing competent, problem-solving, positive, enthusiastic, empowered supervisors?
- Developing continuous process improvement methods to evaluate worth of products, services and the simplification of procedures?
- Eliminating unnecessary staff/supervisory layers?
- Eliminating unnecessary duplication of work?

☐ Any differences in billet composition or categories:

- APF billets?
- Conversions (APF ←→ NAF)?
- Interns?
- Volunteers?
- Active duty personnel?
- Flexible staff members?
- Part-time staff members?
- Full-time staff members?
- Use of UFM?
- Replacement of military billets with civilians?

☐ Changes to the type or amount of service offered?

☐ Any pay/COLA changes scheduled?

☐ New customer/patron service initiatives, labor-saving equipment, or cross-training efforts planned?

Step 10 Develop your monthly budget input for Total Expenses other than Labor and Labor related costs.

☐ Determine how you are doing thus far for the current fiscal year for this account. Use the budgeted amounts for months where actual data doesn't exist.

☐ Review each item in the following checklist to examine what might change during the next fiscal year.

☐ Make the adjustments to the current amount which becomes your budget input.

TOTAL EXPENSES CHECKLIST

☐ Any changes to Program supplies used?

- Use only the type of supplies needed for the job, shift, period, etc.
- Use proper mixtures/amounts.
- Use correct quantity of the supplies for the job, shift, period, etc.

☐ Any differences in the ways you control to prevent waste, loss, theft, etc.?

☐ Any anticipated changes to utility rates, if applicable?

☐ Has any additional use of APF been authorized?

☐ Have there been changes in maintenance and repair schedules and procedures for facilities and equipment?

☐ Any new or different advertising and promotional efforts?

☐ Any adjustments to the awards and prizes requirements?

☐ Any planned changes to entertainment and special events?

☐ Any additional training/conference costs scheduled?

☐ Will an inflation factor impact your supply costs?

☐ Have any contracted services costs been increased that would affect your budget?

☐ Changes to (or new) contracts/competitive sources?

☐ Depreciation data from the MCCS Finance Office?

☐ Any changes to benefits, costs, assessments?

Step 11 After entering all your budget projections, compare them with the standards and/or supervisor's requirements/expectations to determine if they meet the requirements.

☐ Do your projections meet or exceed these requirements?

IF:	THEN:
Yes.	Continue with Step 13.
No.	1. Identify where you can make adjustments. (This is where you could really use a computer spreadsheet.) • Explore new marketing efforts to improve revenue. • Go back to Step 4 to explore ideas to solicit/obtain creative funding or in-kind services to alleviate some current financial problems. (See enclosure after page 5.1.32.) • Investigate additional Income (4000 + 8000) sources (see Step 7). • Investigate expense reductions. 2. Make appropriate adjustments to your projections, electronically or on paper. 3. Check the recalculated work to ensure standards are met. 4. Go back to the first step above in this job aid box and repeat until all the options have been investigated, explored and evaluated. **NOTE:** If you are still unable to meet standards and/or your immediate supervisor's requirements/expectations, stated in the budget call memo or delivered verbally, go to Step 12.

Step 12 After making appropriate adjustments, compare your adjusted projections and estimates with the standards and/or supervisor's requirements and expectations to determine if these adjusted projections meet the requirements.

☐ Do these adjusted projections **now** meet or exceed the requirements?

IF REQUIREMENTS:	**THEN:**
Are met.	Continue with Step 13.
Are **NOT** met.	1. Meet with your immediate supervisor and or the MCCS AC/S, Director or CFO to negotiate new standards and/or requirements/expectations. 2. Examine the resources, skills/knowledge, experience, and capital required to provide each activity, event, product, service, or function in light of these guiding principles: • No tenant should do what a command can do more cost effectively. • MCCS must reduce or eliminate redundancies in the delivery of MCCS Programs caused by providing similar activities in geographically separated areas on the same installation or in the civilian community. 3. Continue with Step 13.

Step 13 Prepare a Capital Expenditure work sheet or memo that is a prioritized list of all major needs, including equipment, and fixed assets requiring initial purchase, replacement, or maintenance.

For example:

- Replace carpeting.
- Replace counter tops.
- Repair cabinets/shelves.
- Upgrade furniture.
- Upgrade sound, light, and video equipment.
- Paint/re-tile floors.
- Change signage.
- Purchase an ice machine.

NOTE: The Capital Expenditure Budget for Marine Corps Community Services (MCCS) is a plan for fixed asset purchases over the next three years. It is a detailed listing of capital expenditures by fiscal year using nonappropriated fund resources. The primary objective of this process is to identify, over the long term, fixed asset resources needed for the continued functioning and expansion of the entire MCCS Department. Planned acquisition and replacement of fixed assets ensures the stability and viability of the MCCS Program.

While the MCCS Chief Financial Officer is responsible for coordinating the budget process, each MCCS Division Director is responsible for the initial formulation and submission of requirements to be included in the budget. These requirements should be identified by cost center within each division. Each director should ensure that subordinate activity managers take active roles in the development of the budget submissions for their particular activities.

While it might not be part of your local budget projection process to prepare a Capital Expenditure memo or work sheet, we recommend that you prepare one for your own planning purposes. Take your directions from the budget call, local policy, your immediate supervisor, and/or the MCCS AC/S, Director, and/or CFO.

For planning purposes, budget at least an amount equal to the actual yearly depreciation.

Identify yearly depreciation amounts using:

- MCCS Financial statements.
- Information from your immediate supervisor/MCCS AC/S, Director, or CFO.

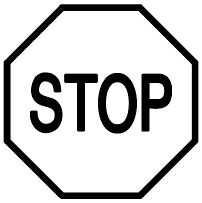
For additional information, refer to Task 3.3, Provide Short-/Long-Term (5-year) Program Management Plan Input.

Step 14 Prepare your portion of the budget narrative if required by local policy. Follow guidance from your local budget call, local procedures, your immediate supervisor and/or the MCCS AC/S, Director. (See sample MCCS Program-level budget narrative input on pages 5.1.30 and 5.1.31.)

You may be required to provide some or all of the following information:

- A brief description of your local Program and facility.
- An explanation of any major Program changes.
- An explanation of any unique circumstances the Program must operate under which impacts your financial plan or need for subsidy.
- An explanation of any problems or initiatives you have taken to reduce expenses and/or improve programs and their cost effectiveness.

Step 15 Ensure you review, print and file a copy of the final budget submission.



Congratulations! You've completed this task.

SAMPLE FY-XX MCCS BUDGET GUIDANCE

7100
MCCS
18 Jun 20XX

MEMORANDUM

From: Assistant Chief of Staff, Marine Corps Community Services, Marine Corps Base, Anywhere, USA
To: Distribution List

Subj: BUDGET GUIDANCE FOR SUBMISSION OF ANNUAL NONAPPROPRIATED FUND OPERATING BUDGET

Encl: (1) Annual Operating Budget Guidance
(2) Computerized Input Form For Operating Budget (Locally generated)
(3) MCCS Operating Goals for Revenue Generators

SAMPLE

1. The Annual Nonappropriated Fund Operating Budget for Marine Corps Community Services (MCCS) is a quantitative expression of management plans. It formalizes management responsibilities for planning and evaluation while embracing both accounting and operating functions. The operating budget is also a means of communicating overall objectives and for blending the objectives of individual operations. The budget process enables managers to visualize the relationship of their operations to other operations and to the MCCS Activity as a whole. The primary objective of this budget is to ensure necessary nonappropriated funds are generated to maintain the fiscal stability required to:

a. Perform day-to-day operations;

b. Support local acquisition, replacement, refurbishment, renovation and expansion requirements (i.e., Three Year Capital Expenditure Budget); and

c. Generate support for nonrevenue generating programs.

2. The Annual Nonappropriated Fund Operating Budget makes it possible to define the scope of each program in financial terms for the year. Each MCCS Division Director is responsible for the formulation of an operating budget for the division. Division Directors must ensure that a budget is prepared and submitted for each nonappropriated fund cost center under their cognizance.

3. Enclosure (1) contains the annual operating budget guidance for nonrevenue generator, revenue generator, and support cost centers. All cost centers will prepare dollar budgets by account

SAMPLE FY-XX MCCS BUDGET GUIDANCE (cont.)

Subj: BUDGET GUIDANCE FOR SUBMISSION OF ANNUAL NONAPPROPRIATED FUND OPERATING BUDGET

number and month using the appropriate input form contained in enclosure (2). Revenue Generator cost centers will also have the dual requirement of meeting minimum “operating profit goals” and “savings goals to the patron over local comparable products and services” as contained in enclosure (3).

4. The deadline for submission of all operating budgets is 15 September 20XX. Each director should ensure that subordinate activity managers take active roles in the development of budget submissions for their particular activities. The budget submissions must be in accordance with the instructions and formats outlined in enclosure (1) through (3). Assistance will be provided upon request by Sally Johnson, Deputy Chief Financial Officer, ext. 3872.

J. W. BROWN

J. W. BROWN

SAMPLE

Distribution:
Dep Dir, Business Operations
Deo Dir, Support
Dep Dir, Plans, Policy, and Administration
Dep Dir, Programs

SAMPLE FY-XX MCCS BUDGET GUIDANCE (cont.)

ANNUAL NONAPPROPRIATED FUND OPERATING BUDGET GUIDANCE NONREVENUE GENERATORS/REVENUE GENERATORS/SUPPORT ACTIVITIES

SAMPLE

1. Activity managers are required to budget for revenues and expenses expected to be incurred in the cost centers under their cognizance for FYXX (1 February 20XX - 31 January 20XX). Each manager will complete the applicable input form (contained in the enclosures) for Nonrevenue Generator, Revenue Generator, and Support cost centers.

2. While cost center budgets are due by 15 September 20XX, it is recommended that the input documents be returned as soon as completed. Since these budgets will be loaded to the MCCS AXS-ONE system, it is advantageous to print the budgets for review by Division Directors as early as possible.

3. The prudent manager will consider all pertinent factors when budgeting. Some which must be considered are:

- a. Historical data.
- b. Cyclical trends and seasonality.
- c. Anticipated troop deployments and local exercises which affect levels of operations.
- d. Additions/reductions in goods, services, or programs.
- e. Projected price/fee changes.
- f. Markup and markdown procedures
- g. Known and projected increases in costs of goods and services to be procured.
- h. Overtime and holiday work procedures.
- i. Award programs and merit pay increases.
- j. Man Hour increases to cover training requirements.

4. Specific budget factors for FYXX:

a. Payroll costs:

(1) As of 1 February 20XX, estimated cost of living adjustment 4.1% for NFs.

(2) As of 1 October 20XX, estimated cost of living adjustment 4.1% for GS employees.

(3) An additional 1% for all nonappropriated fund employees to cover paybanding (NFs) and GS step increases.

(4) Cash awards, estimate 1% of total payroll (excluding FICA, annual and sick leave, and overtime).

Enclosure (1)

SAMPLE FY-XX MCCS BUDGET GUIDANCE (cont.)

ANNUAL NONAPPROPRIATED FUND OPERATING BUDGET GUIDANCE NONREVENUE GENERATORS/REVENUE GENERATORS/SUPPORT ACTIVITIES

(5) Budgets should be prepared using authorized manning levels. To ensure confidentiality of payroll data, payroll report PP947 will be forwarded to each Division Director under separate cover. This report will provide assistance in calculating payroll budget figures, as it contains employee hourly rates of pay by cost center. For vacant positions which will be filled, use the normal starting salary.

(6) Use 2080 hours for regular full-time positions, 1560 for regular part-time positions, and 1560 hours for flexible positions (average work week of 30 hours). If it is known that a flexible or part-time positions calls for more or less hours, use that number.

(7) Employers' share of FICA, 7.65% of payroll

(8) When computing annual leave expense, regular employees with less than three years of MCCS service earn at a 5% rate (4 hours per pay period for full-time); those having three but less than 15 years earn at 7.5% rate (6 hours per pay period for full-time); and 15 years or longer service warrants a 10% rate (8 hours per pay period for full-time). Further, when calculating payroll costs, expected leave used must be subtracted from total payroll so as not to budget for more than 100% payroll.

b. Other expenses:

(1) MCCS will continue to match participating employees' 401K contributions by no more than 5%. The employer's share of the expense will be reflected in 6202, 401K Employer Share. The employer's share of medical and dental plans will be reflected in account 6203, Group Benefits. Account 6204, Group Retirement, will be used to show the employer's share of contribution for employees in the NAF retirement plan. The CFO will calculate and enter these amounts to each cost center budget.

(2) The operating fund assessment reflected in account 6271, will remain at 1% of net sales. The construction fund assessment, reflected in account 6272, will remain at 2.5% of net sales. The CFO will calculate and enter these amounts to each cost center budget.

SAMPLE

SAMPLE FY-XX MCCS BUDGET GUIDANCE (cont.)

ANNUAL NONAPPROPRIATED FUND OPERATING BUDGET GUIDANCE NONREVENUE GENERATORS/REVENUE GENERATORS/SUPPORT ACTIVITIES

(3) All cost associated with Temporary Additional Duty (TAD) travel, except for ITT, will be budgeted under account 6261. ITT travel will be budgeted under account 5101. Reimbursement to employees for local POV mileage will be budgeted under 6261.

(4) Inflationary trends, supplies and equipment, use 3% for FYXX.

5. Simplification of budgetary requirements while ensuring a value added process has necessitated the following changes:

a. Net sales will be budgeted to only one account number, i.e., 4101 for direct operations, 4201 for indirect operations.

b. Cost of goods will be budgeted to only one account number, i.e., 5101 for direct operations, 5201 for indirect operations.

c. Payroll costs will be budgeted to only one account number, i.e., 6101.

d. Excluding the above, all other revenue and expense accounts will be budgeted under the appropriate account number.

SAMPLE

SAMPLE FY-XX MCCS BUDGET GUIDANCE (cont.)

MCCS OPERATING GOALS FOR REVENUE GENERATORS

Operation	Operating Profit Goal	Savings Goal
Retail (except Package Store).	9% minimum	20% minimum
Package Store.	15% minimum	10% minimum
Services.	20% minimum	
Required Services (barber/ beauty shops, dry cleaning).	30% minimum	
Convenience and Luxury (repair shops, photo studios, vending and amusement machines, telephone centers, travel and Food and Hospitality).	18% minimum	
Fast Food.	5% minimum	
Restaurant Food.	15% minimum	
Bar.	20% minimum	
Lodging.	20% minimum	
Recreation (Revenue Generators).	4% minimum	25% minimum

SAMPLE

Enclosure (3)

SAMPLE MCCS PROGRAM-LEVEL BUDGET NARRATIVE
Page 1 of 2

SPORTS & AQUATICS

DESCRIPTION OF PROGRAM

The Gymnasium/Sports Facility Complex provides a full range of physical fitness and intramural sports programs at no cost to our participants.

Our facilities include:

- 25 meters, 8 lane, swimming pool.
- 2 full basketball courts.
- 5 racquetball courts.
- 4 tennis courts.
- 2 lighted softball fields with score box, rest room facilities and a concession stand.

Activities, events, products, and services include:

- A 200 square foot pro line resale complex.
- A variety of classes and lessons for all skill levels and age groups.
- A variety of road runs of various lengths from 3K to 10K each with prizes for age group time/distance standards.
- Tournaments/competitions for individual, teams, and groups/work units.

MAJOR PROGRAM CHANGES

We plan to offer a health & wellness program which will be coordinated and partially staffed by the base hospital. Also, we will offer training for all PRT coordinators to support the Marine Corps Semper Fit program.

We will change our swimming pool to a Cat "B", recreational use to increase family usage. This will include adding pool fees (daily use and season passes for individual and families) this summer.

Our gymnasium will add two trainers to the staff. The trainers will provide equipment orientations, design individual/group programs, and perform body composition measuring.

SAMPLE

SAMPLE MCCS PROGRAM-LEVEL BUDGET NARRATIVE
Page 2 of 2

SPORTS & AQUATICS (cont.)

SAMPLE

UNIQUE CIRCUMSTANCES

Our increased staff and programming is dependent on continued APF funding through the USA/UFM practice. Any APF cuts will curtail these new initiatives and our ongoing program. The budget cuts would require us to prioritize all of our programs, their scope, and the length of their seasons, most certainly resulting in shortened seasons, reduced services and potentially, an elimination of some activities and events.

Increased family use at the pool requires a project to add a water playground and toddlers play pool to the facility needs/requirements list. The addition of a theme water playground, popular in municipalities around the country, will significantly enhance the fun and fitness options and generate much needed NAF revenue.

Our local employment rate and lack of benefits severely restricts our ability to hire part-time and flexible staff for our facility. The local APF hiring process requires a minimum of three months to replace a staff member.

Ideas to Solicit/ Obtain Creative Funding & In-Kind Services

These are but a few of the many opportunities you have to Solicit/Obtain Creative Funding & In-Kind Services:

Work with colleagues and staff to brainstorm your business and programming processes for opportunities to improve.

- Examine new program ideas. Concession operations, Club catering of parties, cooking schools, fashion shows, etc.
- Develop good marketing plans.
- Use innovative publicity and promotions.
- Participate in local community-wide special events.
- Coordinate with civilian recreation funds.
- Work with various units.

Apply for United Way/Combined Federal Campaign Funds.

Conduct garage sales/flea markets. (A good way to sell excess property.)

Investigate sources of grant monies for before and after school programs.

Develop plans or projects that coordinate and combine the use of APF and NAF funds.

- An example might be where Public Works builds an APF funded bicycle path justified by Marine Corps fitness mandates and MCCS needs while NAF funds provide signage, benches, etc.

Request community support funds from Housing Division/Public Works.

- Billets funded by Public Works.
- Use of community centers and/or buildings.
- Use of playgrounds within base housing areas.

Pursue use of TLF/BOQ (billeting) funds to improve MCCS opportunities in the billeting spaces.

- Exercise equipment.
- TV rooms.
- Library/Computer Labs.

Solicit private donations with appropriate approvals and waivers, in accordance with local policy.

Investigate local schools for space for before/after school activities.

Obtain loans, grants or services from Personal and Family Readiness Division (MRF).

- One NAFI loans money or services to another NAFI within MCCS.
- MCX provides a sound system to the consolidated club in return for MCX advertising on club premises.
- Consider clubs, SNCO organizations, retired officers' organizations, enlisted groups and veterans' organizations, etc., as possible sources.

Obtain funds, supplies or services from Interior Department conservation funds.

- Warden salaries.
- Pond management through station conservation office.
- Reforestation.

Request funding from Base/MCCS Safety Officer.

- Eye Wash.
- Asbestos removal.
- Hearing conservation kits.
- Dust collection systems.

Contract out programs/services to receive a percentage of sales.

- Food services.
- Recreational vehicle (campers) programs.
- Resale outlets.
- Auto painting and repair services.
- PPV concessionaire.
- Computer centers.
- Sports camps and instructional classes.

Work with MCX Manager to help pay cost of operations that benefit customers/patrons using the services of both the exchange and MCCS Programs.

- Special Child Care Center operating hours during MCX sales and seasonal promotions.
- "Suds and Duds" laundries.

Seek out research and development assistance from local colleges and universities.

- Plans for recreation facilities.
- Interns assisting in marketing research.
- Graduate students class project - Actual design plans, construction, repair or renovation of recreational facilities.

Rent out your facilities for special programs/meetings.

- Computer or electronic shows.
- Fishing/sports/trading card shows.
- Supply/Medical/Safety departments' training events rentals.
- Investigate the use of APF for on-station, Command function room charges held in NAF spaces.
- Solicit rental charges from other organizations using your facilities such as SATO, Exchange, etc.

Request assistance from technical education schools in developing plans for:

- Landscaping.
- Engineering.
- Interior design.

Explore the use of MCCS spaces for technical school training when the training is also open to MCCS customers/patrons.

Request customer/patron survey data and demographics from state and local parks and recreation departments, convention and visitors bureaus, and the state tourism commission.

Seek out assistance from state and local governments for planning guidance.

- Drainage.
- Environmental impact factors.
- Recreation and park lands.
- Public Works.
- Tourism.

Seek opportunities to use local schools and businesses to present shows, demonstrations, and entertainment.

Seek assistance under state and federal work programs.

- Welfare-to-Work.
- Prisoners.
- Disabled.
- Disadvantaged.
- State subsidized unemployment programs.
- Community service programs.
- Veterans employment and training.
- Youth conservation (Job Corps).

Coordinate authorized commercial sponsorship with your sponsorship point of contact (POC).

- Golf events.
- Bowling center events.
- Prizes for high participation/visibility team sports.
- Tournaments/walks/runs.
- Special events.
- Entertainment/concerts.
- Hotel/motel associations for free weekends, etc.
- Golf course tee markers.
- Score cards/boards/sheets.
- Advertising on outfield fences and fencing.
- MCCS marquee advertising.
- Staff uniforms for seasonal programs.
- Bowling.
- Monday night football, etc.
- Swim meets or other sporting events
- Unofficial travel..., (e.g., contractors providing free trips, etc.).
- Menu/Menu Board allowances for using a company's products.

- Cooperate with the community for teen, youth, and children's programs.
- Request assistance from the USDA food programs to provide available food to Child Development Centers.
- Request Marine Corps Reserve Units support for self-help construction programs.
- Request assistance from USO and Armed Forces Entertainment for shows and programs.
- Solicit volunteers for MCCS Programs/services.
- Request services through college and university work study intern programs.
- Collaborate with other DoD/MWR, MCCS. Contact MR for phone numbers, e-mail, or websites for Army CFSC, Air Force Services, Navy MWR CNI Millington Detachment (N253) and Coast Guard MWR.

Add your ideas here:

MCCS MANAGERS’ DESK REFERENCE
DUTY 5.0 - MANAGE BUDGET/FUNDS

TASK 5.2

Prepare APF Budget Input

DO THIS TASK WHEN

- You receive the APF budget call/guidance from MCCS AC/S, Director, CFO and/or your immediate supervisor.
- You receive request to provide input to update the Operating Budget (OpBud) and Financial Plans from Director and/or your immediate supervisor.
- You receive notification from the MCCS AC/S, Director and/or your immediate supervisor of additional APF or APF cuts following quarterly reviews.
- You receive notification from the MCCS AC/S, Director and/or your immediate supervisor of additional APF or APF cuts at mid-year.
- You receive notification from the MCCS AC/S, Director and/or your immediate supervisor of additional APF at End-of-Year.

REFERENCES

- DoDINST 7000.14 (series), Financial Management Regulation, Vol 13, NAF Policy and Procedures.
- MCO P1700.27 (series) MCCS Policy Manual.
- MCO 1710.30D Children and Youth Programs Manual.
- DoD Financial Management Regulation (DoDFMR), Vol 2A and 2B.

REFERENCES (cont.)

- DODI 1015.15 Procedures for Establishment, Management and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources.
- DODI 1015.10 Programs for Military Morale, Welfare, and Recreation Programs.
- CMC Field Budget Guidance, local budgeting instructions or standard operating procedures (SOP's).

RESOURCES/ SUPPLIES

- Standard Accounting, Budgeting, and Reporting System (SABRS). SABRS is the Marine Corps system for budget formulation, budget execution, accounting, and reporting for the Operation and Maintenance, Marine Corps (O&MMC), Operation and Maintenance, Marine Corps Reserve (O&MMCR) appropriations, and Operation and Maintenance, Defense Wide (O&MDW).
- Local APF budget forms/work sheets.
- Current financial reports.
- AXS-ONE Budget Reports
- Copy of current fiscal year's approved budget and the working papers used during its preparation.
- Your business'/Program's Goals and Objectives and Short-/Long-Term (5 Year) Program Management Plan.
- Current and prior year's APF Cost Account Code (CAC) budgeted and actual information.
- MCCS "APF Helpful Hints".
- Computer with spreadsheet software.
- Routine office supplies.
- Calculator.
- Vendor catalogs.

THIS TASK IS DONE CORRECTLY WHEN

- APF budget input is submitted within time frame specified by the MCCS AC/S, Director/MR budget call.
- Budget is aligned with your MCCS Program goals and for the overall Program.
- A realistic and workable financial plan for the next fiscal year is produced.

NOTES

You may or may not be actively involved in the development of the MCCS Program's APF budget. But it is important for you to know what's involved in the APF planning and budget cycle, its processes, procedures, and the APF budget language. It is also important that you know your MCCS Program's category (A, B, and C,) and what you are authorized to fund with APF.

See MWR Program APF Support Table of Authorizations at the end of this task.

The appropriated fund budget is a planning and control tool. It is designed to summarize the appropriated fund support approved for the fiscal year. It is simply a summary of appropriated fund support which is anticipated as a result of POM initiatives, reprogramming, and other sources of appropriated fund support.

The budget details appropriated fund support of NAFI operations as well as appropriated fund capital expenditures shown in the first year of the Three-Year Capital Expenditure Budget.

MCCS programs are entitled to appropriated fund support per MCO P1700.27, the DoDFMR Manual, and CMC Field Budget Guidance. The MCCS activity's appropriated fund needs will be represented in the installation's appropriated fund budgets submitted to the CMC. The Base Comptroller is responsible for controlling APF funds to the MCCS Program in accordance with the Command's priorities.

NOTES (cont.)

Personal and Family Readiness Division (MRF) will coordinate with each installation MCCS in developing the MCCS portion of the OP-34 Budget Exhibit on appropriated fund support of MCCS. This document is the basis on which Congress reviews and approves appropriated fund support of MCCS. The OP-34 Budget Exhibit must be complete and accurate. (See sample at the end of the task.)

When completed, the APF budget will serve as a report card and be used to analyze your actual results. The budget will set benchmarks to allow you to gauge your Program's operational effectiveness against a set of pre-established guidelines. See Task 5.3, Monitor NAF & APF Budget Execution.

APF Budgeting is challenging, particularly in today's environment.

These challenges may include:

- Budget cuts before you develop the budget.
- Budget cuts after you have an approved budget.
- Spending controls/deadlines imposed by policy.
- Plus-up execution requirements with short deadlines.

Your role in the APF budget process is one of information gathering and input..., (identifying and justifying your authorized needs and monitoring APF execution).

You may:

- Identify all authorized APF entitlements for your Program.
- Justify all APF funding requirements with quantitative and qualitative program impact statements.
- Develop APF spending plan for your budget.
- Execute your APF according to your spending plan.
- Track (and take corrective action when necessary) your actual APF expenditures to ensure you are using your APF as originally envisioned (budgeted).
- Keep your immediate supervisor informed of your APF budget status.

NOTES (cont.)

MCCS NAF and APF budgets are shaped by the needs of the Command as defined by the Commanding Officer, the MCCS AC/S, Director, MCCS Program and Support Managers, and the MCCS customers/patrons.

APF PLANNING, PROGRAMMING, BUDGETING, EXECUTION AND REPORTING

Planning, Programming, Budgeting, and Execution System (PPBES).

The Planning, Programming, Budgeting, and Execution System (PPBES) is the primary resource management system used in the Department of Defense (DoD). It is a cyclical process with four distinct phases that helps DoD plan how future force structure will look based on the current environment (i.e., threats to the United States, political environment, economic outlook, emerging technology, etc.). PPBES helps DoD identify mission needs, matches them with resource requirements, translates resource requirements into budget proposals, and executes funding allotted from Congress. The Programs and Resources Department manages the PPBES for the Marines Corps.

Planning.

Planning is the first step in the DoD resource allocation process and identifies the capabilities required to deter and defeat perceived threats. It defines national defense policies, objectives, strategy and guidance for the upcoming programming phase regarding resources and force requirements to meet capabilities and objectives. The planning phase begins about three years in advance of the fiscal year in which budget authority will be requested.

The formal planning phase of PPBES is normally developed at the Service level and above. The Personal and Family Readiness Division (MR) monitors Presidential, Congressional, and DoD-level plans to assess overall Quality of Life (QoL) implications, and ensures such plans are factored when developing MCCS-level plans. For example, at the Marines Corps Community Services level, a five-year Strategic Plan is developed jointly by the Personal and Family

APF PLANNING, PROGRAMMING, BUDGETING, EXECUTION AND REPORTING (cont.)

Readiness Division (MR) and the Installations' MCCS Directors, and subsequently approved by the MCCS Board of Directors. The current MCCS Strategic Plan can be accessed through the Marines Corps Community Services web site.

Programming.

The purpose of programming is to allocate resources in support of DoD and Marines Corps roles and missions. Programming translates planning decisions and programming guidance into a detailed allocation of resource requirements including forces, personnel, and funds. The Services create the program planning document called the Program Objective Memorandum (POM). The POM reflects force structure, manpower, operational support dollars, and procurement funding requirements for each Service and DoD agency. During the POM creation and review process, new programs are created or increases to established programs occur. In other words, the POM process is where the Marine Corps establishes the financial requirements and justifications for further funding levels.

Through various working groups, meetings, and discussions at the Headquarters level, program sponsors consolidate the Operating Budget Holders' input, and advocate new initiatives and increases to established programs. POM submissions are vital since they lead to changes in future funding levels. The POM covers six future years of funding requirements and submissions are required every two years.

MR Division is the MCCS Advocate in the POM process. The MR Division published biennial guidance for the commands' participation in developing MCCS initiatives for the POM. The current MCCS POM Guide can be accessed through the Marine Corps Community Services web site.

The POM funding decisions are contained in the Program and Budgeting Documentation Database (PBDD). The PBDD identifies MCCS resources by the following Marine Corps Programming Codes (MCPCs); Marine Corps Family Team

APF PLANNING, PROGRAMMING, BUDGETING, EXECUTION AND REPORTING (cont.)

Building (690102), Semper Fit (690202), Lifelong Learning - Libraries (690302), Lifelong Learning - Tuition Assistance (690402), Marine and Family Service (690502), Children, Youth and Teen Programs (690702), Business Operations (690802), and General Support (690902). The POM decisions reflected in the PBDD form the basis of future budget submission.

Budgeting.

The budgeting phase occurs subsequent to the programming phase. It is at this point where command organizations begin developing their individual budgets. The intent of this process is for the command to internally address budget justification issues prior to elevating those issues to a higher echelon.

The commands work diligently to put together a balanced request for funding within published fiscal constraints. The Budget phase at the Marine Corps level includes:

- **Formulation -** Ensures that programs are accurately priced, are executable and do not place Marine Corps resources at risk. The approved budget is then converted into the Budget Estimate Submission (BES).

- **Justification -** Presenting and defending budget estimates to OSD and Congress.

Projections for MCCS/MR Programs. The Personal and Family Readiness Division (MR) distributes annual projections, after coordination with CMC (P&R). The Operation and Maintenance, Marine Corps (O&M, MC), funding, by Operating Budget Holder (OPBUD Holder), matches the OPBUD Holder's MCPCs totals in the applicable PBDD database. These projections are recommendations only and no not necessarily reflect the actual amount each commander will provide to their respective MCCS programs. However, projections totals are used to track funds execution as described in **Execution and APF Oversight**. The PBDD

APF PLANNING, PROGRAMMING, BUDGETING, EXECUTION AND REPORTING (cont.)

does not include the OSD-provided Operation and Maintenance,Defense Wide (O&M, DW) funding for the Family Advocacy Program (FAP), Relocation Assistance Program (RAP),Transition Assistance Management Program (TAMP). The PBDD also does not include Drug Demand Reduction funds which are provided by OSD, but are received in the O&M, MC Appropriation. All OSD-provided funds are distributed separately, as designated by MR Division.

The installation commanders provide APF funds to MCCS Directors to support MCCS programs. The MCCS Directors consolidate both APF and NAF resources to develop a total MCCS budget for the command.

Execution.

The final phase of PPBES is execution, which entails:
(1) Authorizing and allocating funds received through the POM and budget process; (2) Creating obligations and making disbursements that affect the authorized funds;
(3) Validating obligations and payments and reporting on budget execution results; and (4) Modifying spending plans and reallocating resources based on changes in priorities, covering unbudgeted requirements, and maximizing efficient use of allocated resources.

APF Support to MCCS Programs.

- MCCS Directors receive funding to support activities in the following MCPCs:

  1) Marine Corps Family Team Building.
  2) Semper Fit.
  3) Lifelong Learning - Libraries.
  4) Children, Youth and Teen Programs.
  5) Business Operations.
  6) General Support.
  7) Lifelong Learning - Tuition Assistance.
  8) Marine and Family Service.

APF PLANNING, PROGRAMMING, BUDGETING, EXECUTION AND REPORTING (cont.)

Morale, Welfare and Recreation MWR Programs.

- Programs that fall in MCPCs (1) through (6) above are MWR programs, as established by DoDI 1015.10. The DoDI separates these programs into Category A (Mission Sustaining), Category B (Community Support) and Category C (Revenue Generating). The minimum APF support for Category A programs is 85 percent of total category expenditures. The minimum APF support for Category B programs is 65 percent of total category expenditures. The basic standard, regardless of category, is to use APF to fund 100% of costs for which they are authorized.

- The Utilization, Support and Accountability (USA) Practice and the Uniform Funding and Management (UFM) Practice were adopted to provide flexibility to both the Commanding Officer and MCCS Director in maximizing the availability of APF and NAF support to the MCCS.

- APF provided for MWR programs should be applied in the following priority: (1) To Category A programs to achieve at least 85% APF support; (2) To Category B programs to achieve at least 65% APF support; (3) To other MWR areas such as General Support; and (4) to Category C programs at remote and isolated commands.

Remote and Isolated Commands.

- The following remote and isolated installations (per DoDI 1015.15) are authorized additional APF support to their Category C programs (same level as Category B - 65%) due to their remote status and insufficient patron base to sustain revenue-base programs:

  - MCLB Albany.
  - MCLB Barstow.
  - MAGTFTC Twenty-nine Palms
  - MCRD Parris Island.
  - MCAS Beaufort.

APF PLANNING, PROGRAMMING, BUDGETING, EXECUTION AND REPORTING (cont.)

- MCAS Yuma.
- MCB Bulter.
- MCAS Iwakuni.
- MOBCOM (Kansas City).
- MWTC Bridgeport

Lifelong Learning - Tuition Assistance.

- Tuition assistance offers financial assistance to service members who elect to pursue Off-Duty or Voluntary Education. This program is centrally funded and executed by the Personal and Family Readiness Division (MR).

Marine and Family Services.

- Marine and Family Services receives O&M, MC funds for such activities as general counseling, Personal Financial Management and DDR. As identified in paragraph 9003.2, Marine and Family Services also receives O&M, DW funds for FAP, TAMP, RAP.

APF Accounting Systems.

- Transactions entered into the APF accounting system should be recorded using the appropriate MCCS Cost Account Code (CAC).

Reporting.

The Personal and Family Readiness Division (MRF) will provide annual budget guidance for capturing the data required for the OP-34 and PB-50 President's Budget exhibits and the annual Marine Corps Metric Report.

For OP-34 and Metric reporting, indirect support includes all APF base operations support costs to MCCS programs and activities. Base operations costs are budgeted and executed to

APF PLANNING, PROGRAMMING, BUDGETING, EXECUTION AND REPORTING (cont.)

support installation-wide services, including MCCS. Costs include (but may not be limited to) military personnel support;
civilian personnel services; facility and infrastructure support (including fire, police, health, safety); equipment operation; financial and accounting services; installation procurement and common warehouse; communications; installation information systems; legal services; transportation services; maintenance and repair services; minor construction (under $200K); second destination transportation; utilities and real property rents; refuse collection; snow removal; custodial and janitorial services.

The OSD "APF Support to Morale, Welfare and Recreation (MWR) Category A and B Programs (Metric Report) Annual Report to Congress" describes how each Military Service is progressing with maximizing appropriated fund support to Category A and B programs. The Marine Corps Metric Report, which is summarized in the Annual Report to Congress, is prepared from consolidated data from all commands.

Appropriated Fund Oversight.

The MCCS Board of Directors (BOD), through its Budget Oversight Committee (BOC), performs an oversight function that tracks the commands' APF execution against the detailed plans. This consists of routine MR Division briefs to the BOD/BOC that includes reports, by command, of current APF execution compared to the annual Projections for MCCS/MR Programs. As part of its oversight responsibilities, the MCCS Board of Directors also requires a Metric Report of each command.

THE MARINE CORPS APF BUDGET CYCLE

An Overview. Appropriated Funds (APF) budget input calls are forwarded from the Office of Management and Budget (OMB) down through the various government agencies' comptrollers following *planning processes* which eventually result in approved APF budgets.

THE MARINE

CORPS APF BUDGET CYCLE (cont.)

Headquarters Marine Corps Programs and Resources Division
(P&R) will periodically forward budget calls to the base/ station comptroller. These budget calls often request data for several fiscal years. This data will allow Headquarters to respond to higher headquarters' budget calls and to establish up execution plans.

Headquarters Divisions annually respond to information requests and budget reviews requested by the Navy Comptroller (NAVCOMPT) and the Office of the Secretary of Defense (OSD), culminating in the President's Budget. The President's Budget includes four fiscal years. For example, President's Budget 2006 includes the following years:

Prior Year:	FY04
Current Year:	FY05
Budget Year 1:	FY06
Budget Year 2:	FY07

The MCCS Program must also respond to other calls for APF information.

These may include:

- Operating Budget (OpBud) and Financial Plans. The comptroller may require each Program to submit updated financial plans in August/September for the upcoming fiscal year.

- Mid-Year Review. Base funding is normally adjusted at mid-year (March). Various Program may have to prepare justification for unfunded requirements, and defend current funding levels..., particularly if their execution is below plan.

THE MARINE CORPS APF BUDGET CYCLE (cont.)

- Quarterly Reviews. The comptroller may provide additional appropriated funds during the quarterly reviews in December and July. (June is a “mid-year” process, and September is the end-of-year process.)

- End-of-Year Funds. The comptroller may provide additional appropriated funds that were uncommitted during the past 11 months.

UNIFORM FUNDING AND MANAGEMENT (UFM)

The Uniform Funding and Management (UFM) program aids in the efficient and cost effective execution of APF funds in support of MWR programs. UFM is not authorized to expand MWR beyond is normal mission or circumvent existing regulations. It neither increases nor decreases authorized APF support

Public Law 107-314, Section 323, allows APF funds to be treated as Non-Appropriated Funds (NAF), and expendable in accordance with laws applicable to NAF expenditures. Under this program, APF shall be considered to be NAF for purposes and only to the extent that MWR is allowed to receive APF support.

Commanding Officers and MCCS Directors are responsible for APF and NAF resources that support MWR programs. DODI 1015.10 describes MWR programs and which of those are authorized APF support.

UFM funding should be prioritized as follows (although executed concurrently):

- To Category A programs to achieve at least 85% APF support.

- To Category B programs to achieve at least 65% APF support.

- To other MWR areas such as General Support.

UNIFORM

FUNDING AND MANAGEMENT (UFM) (cont.)

- To Category C programs for officially designated remote and isolated commands.

A Memorandum of Agreement (MOA) is the basis of UFM and shall be established between the Installation Commander, the Comptroller, and the AC/S MCCS or MCCS Director. The MOA will identify the appropriated funds that are intended to support MWR programs through the UFM practice. The MOA will include an enclosure that lists the MWR NAF billets that are eligible to be funded through the UFM Practice.

Funding provided through the UFM practice will continue to be included in APF budget exhibits, installation accounting records, and financial reports. The UFM MOA should indicate to the effect that "the following funds will be provided to the MCCS Director at the beginning of each quarter, contingent on the availability of the funding."

Detailed guidance for UFM Practice is contained in Assistant Secretary of the Navy (Financial Management and Comptroller) Letter of Oct 12 2004 Subject: Implementation of the Uniform Funding and Management (UFM) of Morale, Welfare and Recreation.

PROCEDURE

Step 1 Upon receipt of your MCCS Program's APF budget call, review the budget guidance information to determine the following.

☐ Projected increases or decreases in funding levels.

☐ Policy changes.

☐ Budget peculiarities for this submission.

☐ Milestone dates for submission of input and other important due dates.

☐ Justification requirements and format for submission of budget input.

☐ MCCS support staff members who can assist in budget preparation.

- MCCS business operations or financial manager.
- MCCS/HRO personnel manager.
- MCCS procurement clerk.
- MCCS payroll clerk.
- MCCS maintenance supervisor.

☐ Public Works estimates for utilities, maintenance, repairs, etc.

☐ Your unfunded APF requirements.

☐ Your equipment needs, when not included in your unfunded requirements.

☐ Requirement to submit some or all of the budget narrative to your immediate supervisor.

☐ Forms and formats for data.

☐ Use of UFM (if eligible) in your Program.

Step 2 Gather the following documents and information for use in budget preparation.

☐ Any MCCS instruction or Departmental SOP concerning budgets or budget planning.

☐ APF Budget forms and program-level working papers.

☐ Your Program's APF financial reports for the current and prior fiscal years. (Budget Execution Reports.)

☐ Your upcoming fiscal year MCCS projections.

☐ Your current year's budget working papers and documentation for any revisions you have made.

☐ NAF budget information. (See task 5.1, Prepare NAF Budget Projections, Steps 1 and 2).

☐ APF labor reports.

☐ Equipment requirements.

☐ Training requirements for you and your staff.

☐ Needs list. (E.g., yours, customer's/patron's, Command's, etc.)

☐ Your Program's "unfunded" APF requirements for the current year.

☐ Current categories of MWR Programs (A, B, C) and MCCS Program APF Support Table of Authorization.

- DoD 1015.10, (series) Programs for Military Morale, Welfare, and Recreation (MWR) describes the categories of MWR Programs with brief program descriptions and contains an APF Authorization Table. (See reproduction of these tables at end of this task. Always refer to a current table.)

☐ Wage increases planned for your staff including local area wage survey increases, pay information, and local (foreign) national changes.

Step 3 Review the following financial information (as well as those items identified in Step 2) as resources to identify trends, and to analyze current APF budget execution.

☐ Current year's APF/NAF budget and the budget working papers.

☐ Current fiscal year program's financial reports.

☐ Most recent Budget Reviews, (i.e., budget compared to actual--the "variance report").

☐ Your Program's historical patterns of operations including seasonal fluctuations, customer/patron usage, etc., that impact your operation.

- You may have already done this while preparing your NAF Budget. See Task 5.1, Prepare NAF Budget Projections.

Step 4 Identify all Program expense elements/areas that you are authorized to fund with APF.

For example:

☐ Salaries and benefits.
☐ Rents and utilities.
☐ Minor construction (<$750K).
☐ Equipment.
☐ Printing and reproduction.
☐ Communications.
☐ Maintenance and repair.
☐ Supplies.
☐ Travel.
☐ Contracts.

☐ Other: ____.

NOTE: Refer to DoDINST 1015.10, (series), Programs for Military Morale, Welfare, and Recreation (MWR) and communicate with the MWR Business Office for assistance.

Remember that most of these APF are already obligated to expense elements and are NOT available for your discretionary application with the minor exception of what supplies you purchase/travel/ training (etc.) with these APF's. The big "chunks" such as utilities, labor, maintenance/repair are already obligated.

Keep your immediate supervisor constantly aware of areas where you could use APF support.

Step 5 Develop the monthly budget input for your Programs' labor costs that are authorized to be paid by APF.

☐ Jot down what you've actually executed on APF *Labor* to-date, and, what you anticipate executing during the remainder of the fiscal year.

☐ Review each item in the following checklist, to identify and calculate what might change during the next fiscal year, if anything.

☐ Make applicable monthly dollar figure adjustments to the current monthly amounts, which become your APF labor input.

LABOR COST CHECKLIST

☐ Any adjustments in your staff position descriptions?

☐ Are changes to your staffing levels/guidelines required to handle the workload as specified by:

- Regulation/law?
- Industry standards?
- Guidance from MCCS program managers, finance office?
- Historical perspectives? (What staff mix works and what doesn't?)

☐ Any anticipated changes to the scope or the days/hours of operation?

☐ Have adjustments been made to minimize labor costs by:

- Using minimum staff numbers relative to the scope of work?
- Balancing number of staff to ensure customer/patron needs are met without "burning out" staff members?
- Adjusting staff numbers relative to work fluctuations (e.g., seasonal demands, daily/hourly demands, payday peaks)?
- Minimizing overtime?
- Scheduling to avoid/minimize payment of premiums/differentials?
- Cross-training staff?
- Ensuring all staff members are fully trained and qualified?
- Using automation and state-of-the-art equipment and tools?
- Using incentive programs?
- Developing competent, problem-solving, positive, enthusiastic, empowered supervisors?
- Developing continuous process improvement methods to evaluate worth of products, services and the simplification of procedures?
- Eliminating unnecessary staff/supervisory layers?
- Eliminating unnecessary duplication of work?

☐ Any differences in billet composition or categories:

- APF billets?
- Interns?
- Active duty personnel?
- Part-time employees?
- Temporary employees?
- Conversions (APF⟷NAF) Military → Civilian (APF)?
- Volunteers?
- Flexible employees?
- Full-time employees?

☐ Changes to the type or amount of service offered?

☐ Any pay or Cost of Living (COLA) changes scheduled?

☐ New customer/patron service initiatives, labor-saving equipment, or cross-training efforts planned?

☐ Any contract initiatives that would reduce/increase labor budget?

☐ Any guidelines on bonuses.

Step 6 Develop your monthly budget input for your Programs' **Direct Expense Elements**, *other than Labor costs*.

☐ Jot down what you've actually executed on APF ***Direct Expense Elements*** to-date, and, what you anticipate executing during the remainder of the fiscal year.

☐ Review each item in the following checklist, to identify and calculate what might change during the next fiscal year, if anything.

☐ Make applicable monthly dollar figure adjustments to the current monthly amounts, which become your APF Direct Expense input.

EXPENSES CHECKLIST

☐ Any changes to Program supplies used?

- Use ONLY the type of supplies needed for the job, shift, period, etc.
- Use proper mixtures/amounts.
- Use correct quantity of the supplies for the job, shift, period, etc.

☐ Any differences in the ways you control supplies to prevent waste, loss, theft, etc.?

☐ Any anticipated changes to utility rates?

☐ Any communications initiatives? (See tables at end of task.)

☐ Have there been changes in maintenance and repair schedules and procedures for facilities and equipment?

☐ Have there been changes in custodial services and material for facilities?

☐ Any additional travel, training, or conference costs scheduled?

☐ Will an inflation factor impact your expense costs?

☐ Have any contracted services costs been increased that would affect your budget?

Step 7 Total your APF budget projections and compare your projections/estimates with the your immediate supervisor's requirements/expectations, stated in the budget call, to determine if these projections meet the requirements.

☐ Do your projections meet or exceed these requirements?

IF:	THEN:
Yes	Continue with Step 9.
No	1. Identify where you can make adjustments. (This is where you could really use a computer spreadsheet.) • Investigate expense reductions. 2. Make appropriate adjustments to your projections. 3. Check the recalculated work to ensure requirements are met. 4. Go back to the first step above in this job aid box and repeat until all the options have been investigated, explored and evaluated. **NOTE:** If you are still unable to meet standards and/or your immediate supervisor's requirements/expectations, stated in the budget call memo or delivered verbally, go to Step 8.

Step 8 After making appropriate adjustments, compare your adjusted projections and estimates with your immediate supervisor's requirements and expectations to determine if these adjusted projections meet the requirements.

☐ Do these adjusted projections **now** meet or exceed the requirements?

IF REQUIREMENTS:	**THEN:**
Are met.	Continue with Step 9.
Are **NOT** met.	1. Meet with your immediate supervisor and or the MCCS AC/S, Director to negotiate new requirements/expectations by justifying your UNFUNDED requirements. 2. Examine the resources, skills/knowledge, experience, and capital required to provide each activity, event, product, service, or function in light of these guiding principles: • No tenant should do what a command can do more cost effectively. • MCCS must reduce or eliminate redundancies in the delivery of MCCS Programs caused by providing similar activities in geographically separated areas on the same installation. 3. Continue with Step 9.

Step 9 Prepare a list of **"unfunded"** requirements.

☐ Imagine you were given a pot of APF money..., think about critical/emerging needs that have not been addressed.

☐ Start by updating last year's "unfunded" requirements list.

- APF entitled?
- Still current?
- Necessary for mission accomplishment?
- Complete?

  ☐ Delete items no longer required.
  ☐ Verify that specifications meet current requirements.
  ☐ Add any new requirements to your list.

☐ Identify the item(s) and the cost(s).

☐ Include specifications on all equipment items. (Catalog pictures and/or copies of pages/pictures/specifications help.)

☐ Prioritize your requirements.

  ☐ Be consistent with prior year's unfunded requirement submissions.
  ☐ Justify differences between past lists and this one.

☐ Write an impact statement for each line item.

  ☐ Justify why it is needed.
  ☐ Document the impact on the Program if not funded.
  ☐ Be as quantitative as possible.

NOTE: Maintaining a current list of unfunded APF requirements is one of your most valuable and important MCCS Program management practices.

Be proactive by keeping prepared purchase documents (minus only the purchase/authorization numbers), so that you will be able to execute unanticipated APF's immediately.

Refer to Task 2.3, Provide Strategic Planning Input, and Task 2.4, Provide Short/Long-Term (5-year) Program Management Plan Input for information about planning for facility and equipment renovation and/or replacement *relative to authorized use of APF*.

Step 10 Prepare your portion of the budget narrative if required by local policy.

☐ Follow guidance from your local budget call, local procedures, your immediate supervisor, CFO and/or the MCCS AC/S, Director.

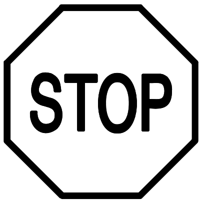
You may be required to provide some or all of the following information:

- A brief description of your local Program and facility.
- Justification for any major program changes.
- An explanation of any unique circumstances the Program must operate under which impacts your financial plan.
- An explanation of any particular problems along with initiatives you have taken to reduce expenses and/or improve programs and their cost effectiveness.
- Current customer survey data.

Step 11 Ensure you get a copy of the final budget submission which may or may not have been changed at other management levels.

☐ Note the budget figures for your areas of responsibility.

☐ Enter the approved APF budget figures in your local APF budget record. See Task 5.3, Monitor NAF & APF Budget Execution.



Congratulations! You've completed this task.

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS			
ELEMENT OF RESOURCE	**APPROPRIATED FUND SUPPORT AUTHORIZED**		
	A	**B**	**C**
A. MILITARY PERSONNEL.			
1. Executive control and essential command supervision (ECECS).	Y	Y	Y
2. All other personnel.	Y	Y	N
B. CIVILIAN PERSONNEL			
1. Permanent Assignment Utilization			
a. ECECS	Y	Y	Y
B. Personnel performing managerial functions or requiring technical and/or professional qualifications. Also personnel accountable for APF resources and the protection of the interest of the Federal Government.	Y	Y	N
C. Personnel directly and primarily involved in resale.	N	N	N
d. All other personnel.	Y	Y	N
2. Additional and Collateral Duties: Applies to APF employees who are assigned duties on an additional or collateral duty basis. These duties shall be in addition to the civilian employee's primary duty assignment and may be of an ECECS or operational nature.	Y	Y	Y
3. Temporary Duty: Participants in athletic, recreation and entertainment events conducted as part of the MWR program. International and national sports competitions authorized by statute and other DoD issuances to include command supervision.	Y	Y	N
4. Civilian Personnel Office Assistance or Administration: Relates to CPO support for:			
a. Technical advice and counsel that may be provided by the CPO to assist in the personnel management of employees paid with NAF.	Y	Y	Y
b. Day-to-day personnel administration of employees paid with NAF to include, but not limited to, recruitment placement, position classification, salary and wage administration, training, personnel records maintenance, employee relations, and personnel matters.	Authorized when no additional incremental APF incremental APF costs are incurred.		

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS			
ELEMENT OF RESOURCE	**APPROPRIATED FUND SUPPORT AUTHORIZED**		
	A	**B**	**C**
C. TRAVEL OF PERSONNEL:			
1. Permanent Change of Station (PCS): Applies to relocation of APF and NAF personnel assigned on a full-time permanent basis to NAFI programs and activities for:			
a. APF Personnel.	Y	Y	Y
b. NAF Personnel.	Not authorized except for APF-authorized NAF positions.		
2. Temporary Duty (TDY) Travel:			
a. Applies to TDY for personnel employed by or assigned or detailed to NAFI programs and activities.			
(1) APF Personnel.	Y	*Y*	*Y*
(2) NAF Personnel.	When travel is directed by an authorized DoD official and relates to APF business.		
b. Applies to TDY travel of participants engaged in international and national sports competitions authorized by statute and other DoD issuances to include command supervision. Does not preclude space available travel by participants in MWR programs.	A	A	A
3. Use of Government-Owned Vehicles: Relates to use of Government-owned, motor pool-controlled passenger vehicles by a NAFI program or activity.	Y	Y	Authorized to assist in the performance of ECECS
D. TRANSPORTATION OF THINGS.			
1. Goods purchased with APF.	Y	Y	Y
2. Goods purchased with NAF.			
a. Transoceanic movement of goods to and from CONUS sea and aerial ports of debarkation to first OCONUS.	Y	Y	Y

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS			
ELEMENT OF RESOURCE	**APPROPRIATED FUND SUPPORT AUTHORIZED**		
	A	**B**	**C**
b. Movement of U.S. and foreign goods within foreign areas when commercial transportation is not available or in combat zones.	Y	Y	Y
c. Movement of U.S. goods between DoD installations because of base closures, or to safeguard goods under emergency conditions, e.g., threat of hostile force or natural disaster.	Y	Y	*Y*
d. All other transportation of NAF goods.	Not Authorized except on reimbursable basis. Initial APF funding permitted only when NAF shall reimburse APF.		
3. Household Goods: Applies to the authorized transportation of household goods for either:			
a. APF Personnel.	Y	Y	Y
b. NAF Personnel.	Authorized for APF-authorized NAF positions. Initial APF funding is permitted for other NAF positions only when NAF shall reimburse APF (except at BRAC locations that are authorized APF.)		
E. UTILITIES AND TENTS.			
1. Utilities: Applies to heat, steam, water, gas, electricity, and other utility services for facilities used primarily by NAFI programs and activities.	Y	Y	Y in OCONUS
2. Rents: Applies to the use and possession of non-DoD lands, buildings, and other improvements and installed equipment for a specified period through contract, lease agreement, or other legal instrument when authority is granted through appropriate channels.	Not authorized except upon specific approval by the Head of the DoD Component concerned.		

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
F. COMMUNICATIONS.			
1. Electronic Communications: Applies to electronic communications (telephone, teletype, television, DSN, fax, public address system, and other electronic media) provided to NAFIs.	Authorized in support of command management functions, statistical data gathering, communications with other DoD and Government Agencies, and OCONUS.		
2. Postal Service Mail Indicia, and Postage: Official communications within and between Government Agencies, persons and private commercial agencies not related to the sale of goods and services.	Y	Y	Y
G. EQUIPMENT MAINTENANCE.			
1. Government-Owned Equipment: Applies to maintenance, repair, overhaul, or rework of equipment.	Y	Y	Authorized, except for surplus/ excess Government equipment.
2. Equipment Acquired with NAF: Applies to maintenance, repair overhaul, or rework of equipment acquired with nonappropriated funds.	Authorized for equipment acquired with NAF but authorized for purchase with APF where title transfers to the Government.		
H. PRINTING AND REPRODUCTION:			
Applies to printing and reproduction such as work done on printing presses, lithographing and other duplicating, related binding operations, photography, microfilming, formats and forms, editing, and graphics.	Authorized for all costs except those related to the sale of merchandise or services and to the internal operation of NAFIs.		

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS

ELEMENT OF RESOURCE	**APPROPRIATED FUND SUPPORT AUTHORIZED**		
	A	**B**	**C**
I. OTHER SERVICES. Applies to the following categories of expenses incurred in the day-to-day operation of the NAFI:			
1. Education and Training: Pertains to the advancement of job knowledge, development of skills, and improvement of abilities of NAFI personnel.	Authorized for APF positions and APF-authorized NAF positions and for DoD Component-approved training that is not job unique such as management and/or leader development courses, quality training, health and safety, sexual harassment, etc.		
2. Auditing Services: Relates to the independent examination, review, and evaluation of the records, controls, practices, and procedures in the area of financial and operational management of the NAFI by DoD Components' audit organizations or independent public accountants.	Authorized in accordance with reference (*y*)		
3. Data Automation: Applies to automatic data processing system development or operation (personnel, equipment, supplies) needed for either essential command supervision or internal operation of the NAFI. [DoD Directive 7950.1 and DoD 7950.1-M, references (*az*) and (*ba*).]	Authorized for services required for command supervision and to discharge a commander's supervisory responsibility for management review and analysis.		
4. Financial Management Services: Relates to those services that reflect the preparation of APF and NAF budgets; provide accounting for financial management data; facilitate the preparation of financial reports; and provide management review and analysis to ensure proper control over all the resources that support NAFIs.	Authorized to provide technical guidance and assistance in preparing budgets, financial and analytical data required for command supervision. Not authorized for NAF accounting and analytical functions.		

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
5. Legal Services: Applies to that service and assistance provided by or through the Judge Advocates General (JAGs) or General Counsel.	Y	Y	Y
6. Procurement Office Assistance and Administration:			
a. Assistance: Applies to technical advice and assistance that may be provided by the procurement office to assist NAFI management in the procurement of goods and services with NAF.	Y	Y	Y
b. Administration: Applies to the functions of procurement (source development, preparation of procurement documents, negotiation of prices, contract administration and audit, and related procurement functions) being performed by the Procurement Office in the procurement of goods and services with NAF.	Authorized when no additional incremental APF costs are incurred.		
7. Custodial and Janitorial Service: Applies to the manpower, supplies, and equipment provided by the installation engineer, the public works department, or by the contract.	Y	Y	Y
8. Other Services: Relates to those services of a protective or sanitary nature normally supplied as a command function. Such services include, but are not limited to fire protection, including acquisition and installation of extinguishers and sprinkler and alarm systems; security protection, including physical security of buildings (such as alarm systems and security bars), personnel background investigations under the provisions of DoD 5200.2-R [*reference (bb)*] and protection of funds; pest control; sewage disposal; environmental compliance and remediation; trash and garbage removal; snow removal; safety; medical, veterinary and sanitary inspections; and rescue operations.	Authorized for all costs associated with protecting the health and safety of participants and employees and with protecting NAFI resources.		
9. Minor Construction and Modernization: Includes associated architectural and engineering services and applies to the erection, addition, expansion, alteration, conversion, or replacement of an existing facility, the relocation of a facility from one place to another, provided that the cost does not exceed the limits for APF minor construction as outlined in DoD Instruction 7700.18 [*reference (bc)*].[9]	Authorized. See enclosure E3.A1.	Authorized for Child Development Centers, Youth Centers/ Courts/ Playing Fields OCONUS and as noted in footnote 9. See enclosure E3.A1.	Authorized per footnote 6 and for Armed Services Exchange facilities per footnote 10 See enclosure E3.A1.

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	**B**	**C**
10. Sustainment and Restoration: Applies to both sustainment (the recurrent, day-to-day, periodic, or scheduled work required to preserve a Government-owned facility, its installed equipment, and its premises in such a condition that it may be used for its designated purpose) and restoration (the repair or replacement work to restore facilities damaged by inadequate sustainment, excessive age, natural disaster, fire, accident or other causes.) Includes routine grounds maintenance (except for golf courses); facility maintenance necessary to maintain structural integrity, external appearance, interior appearance and facility systems (HVAC, electrical and plumbing) to standard required of all facilities on the installation; and correction of fire and safety, Americans With Disabilities Act, and force protection deficiencies.	Y	Y	Y
J. AIRCRAFT PETROLEUM, OIL AND LUBRICANTS (POL). Applies to POL (including fuel additives) consumed by aircraft operated in conjunction with a NAFI activity [does not include cost for travel of personnel (Section C., above) or for transportation of things (Section D., above)].	N	N	N
K. SHIP POL. Applies to POL consumed by ships and other vessels operated in conjunction with Military MWR activities [does not include cost for travel of personnel (Section C., above) or transportation of things (Section D., above)].	Y	Y	Y
L. SUPPLIES. Applies to supply items (expendables) that are consumed or lose their identity when used, or whose low value does not require the same accountability required for equipment. Included in this group are clothing, tentage, organizational tools, administrative and housekeeping supplies (other than in paragraph I.8., above), petroleum fuels, lubricants, preservatives, coolants, oil derivatives (other than aircraft and ship POL).	Authorized except for expendables related to the sale of merchandise or services.		Authorized for supplies required for ECECS

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS

ELEMENT OF RESOURCE	APPROPRIATED FUND SUPPORT AUTHORIZED		
	A	B	C
M. EQUIPMENT. Includes the acquisition cost of any item of equipment, furniture, or furnishing that does not meet the criteria of an investment cost as defined in reference (*r*).	Authorized except for equipment related to sale of merchandise or services.		Authorized for equipment required for ECECS and surplus/ excess Government equipment.
N. OTHER OPERATING EXPENSES. Includes the cost of types of resources not otherwise provided for, such as investments and loans, grants, subsides and contributions, insurance claims and indemnities, interest and dividends, and payments instead of taxes, if such resources are included in operations appropriations.	Authorized for costs incurred incident to the performance of functions related to ECECS or as specifically authorized by the statute or DoD publication.		
O. NON-OPERATING EXPENSES. Relates to the following categories of services or expenses provided to and MWR activity.			
1. A&E Services: Applies to professional services that include the necessary consultations, preparation of preliminary studies, analyses, cost estimates, work drawings, specifications, interior design and decoration, and the inspection and supervision services required for the construction, alteration, or restoration of real property facilities.	Authorized for APF construction and for NAF construction, when no additional manpower authorizations are required.		
2. Major Construction: Applies to both new footprint and recapitalization (erection, addition, expansion, extension, alteration, conversion or replacement of an existing facility, and the relocation of a facility from one place to another) when the cost of such construction exceeds the limits for minor construction as outlined in reference (*r*), for MILCON and reference (*ba*) for NAF Major Construction.[6] Construction includes equipment installed in, and made a part of such facilities and related site preparation, excavation, filling, and landscaping or other land improvements.	Authorized. See enclosure E3.A1.	Authorized for Child Development Centers, Youth Centers/ Courts/ Playing Fields OCONUS and per footnote 9. See enclosure E3.A1.	Authorized per footnote 5 and for Armed Services Exchange facilities per footnote 10. See enclosure E3.A1.
3. Purchase of Real Property: Relates the acquisition cost of and, buildings, and other fixed improvements.	Purchase of real property authorized only to the extent approved by the Congress.		

MWR PROGRAM APF SUPPORT TABLE OF AUTHORIZATIONS

ELEMENT OF RESOURCE	**APPROPRIATED FUND SUPPORT AUTHORIZED**		
	A	**B**	**C**
4. Investment Equipment: Relates to the acquisition and use of equipment that meets the criteria of investment items, as defined in reference (*r*).	Authorized except for equipment related to sale of merchandise or services.		Not authorized except for use of surplus/ excess Government equipment.
P. MERCHANDISE, SERVICE AND EQUIPMENT FOR RESALE OR RENT. Pertains to merchandise, services, and equipment procured by a NAFI for resale or rent to authorized persons.	N	N	N[11]

Notes:

1. Military MWR and Armed Services Exchange Category C activities, excluding golf courses, at designated remote and isolated locations are authorized funding under Category B rules under the provisions of references (h) and (k).
2. During Force protection conditions at Charlie and Delta, Military MWR Category C activities, excluding golf courses, are authorized additional APF support for civilian personnel with installation management and supervisory functions (excluding personnel directly and primarily involved in resale), utilities and rents, and custodial and janitorial services.
3. Active duty military personnel performing ECECS are authorized in sufficient numbers for Armed Services Exchange programs to provide a trained cadre to meet wartime and deployment requirements and to perform managerial functions.
4. Enlisted personnel may be employed during non-duty hours by NAFIs as part-time NAF-paid employees.
5. Not authorized for Armed Services Exchange programs.
6. Rates charged shall not include incremental or prorated share of overhead, maintenance, and repair to utility systems, or capital investments in the installation's utility infrastructure systems unless otherwise specified by a Memorandum of Agreement (MOA) or Inter-Service Support Agreement (ISSA).
7. Authorized for Armed Services Exchanges when existing APF contracts may be used to purchase the item or services.
8. Trash and garbage removal services are not authorized for Armed Services Exchange activities in the CONUS.
9. APF may be used for all community facility construction related to the establishment, activation, or expansion of a military installation or relocation of facilities for convenience of the Government; replacement of facilities denied by country-to-country agreements; restoration of facilities destroyed by acts of God, fire or terrorism; antiterrorism/force protection measures required under DoD Instruction 2000.16 [reference (*bd*)], and to correct life safety and Americans with Disabilities Act and force protection deficiencies. In the case of installation "expansion," a major increase in authorized and assigned personnel strength over a short period of time is necessary before appropriated fund construction can be programmed. Such expansion must be the result of a mission change or influx of new units or systems. For example, a 25 percent increase in a 2-year time span satisfies these criteria. In contrast, personnel increases resulting from an evolutionary expansion occurring over several years do not satisfy these criteria.
10. APF authorized for Armed Services Exchange facilities in areas of military conflict, or in air terminals, hospitals, housing, or other construction projects. APF authorized for Armed Services Exchange logistical facilities outside the United States including: administration, storage and maintenance, laundry and dry cleaning plants, bakeries, dairies or similar facilities in support of the military mission.
11. Appropriated funds are authorized for military clothing and other appropriated funded items sold in military exchanges on a cost-reimbursable basis.

OP-34 BUDGET EXHIBIT

Fiscal Year 2005

MWR Category		**Appropriations**				**Total APF**		**Total APF**
	Category A	**O&MMC**	**O&MMCR**	**MPMC**	**RPMC**	**Operating**	**MILCON**	**Support**
MISSION SUSTAINING PROGRAMS								
A.1	Armed Forces Professional Entertainment Overseas	0	0	0	0	0	0	0
A.2	Free Admission Motion Picture	0	0	0	0	0	0	0
A.3	Physical Fitness and Aquatic Training	3,203	142	92	0	3,437	7,360	10,797
A.4	Library Programs & Information Services (Recreation)	14,504	570	2,345	0	17,418	0	17,418
A.5	On-Installation Parks and Picnic Areas	6,750	0	321	0	7,071	0	7,071
A.6	Basic Social Recreation (Center) Programs	2,520	0	0	0	2,520	0	2,520
A.7	Shipboard, Company and/or Unit Level Programs	3,124	-1	183	0	3,306	0	3,306
A.8	Sports and Athletics	2,304	417	2,801	0	5,522	0	5,522
A.9	Single Service Member Program	7,087	38	549	0	7,674	0	7,674
	Total Cat A Direct Program Operation	39,491	1,166	6,291	0	46,948	7,360	54,308
	Direct Overhead (Category level only)	0	0	0	0	0	0	0
	Indirect Support (Category level only)	17,741	80	1,118	0	18,939	0	18,939
	URD Practice (Memo entry - Total Category level)	26,238	1	0	0	26,239	0	26,239
	USA Practice (Memo entry - Total Category level)	0	0	0	0	0	0	0
TOTAL APF SUPPORT - CAT A		**57,232**	**1,246**	**7,409**	**0**	**65,887**	**7,360**	**73,247**

SAMPLE

Fiscal Year 2005

MWR Category	**Category B**		**Appropriations**			**Total APF**		**Total APF**
		O&MMC	**O&MMCR**	**MPMC**	**RPMC**	**Operating**	**MILCON**	**Support**
BASIC COMMUNITY SUPPORT PROGRAMS								
B.1.1	Child Development Centers	239	0	0	0	239	0	239
B.1.2	Family Child Care	15,098	0	0	0	15,098	0	15,098
B.1.3	Supp Program/R&R/Other	2,495	0	0	0	2,495	0	2,495
B.1.4	School Age Care (SAC)	601	0	0	0	601	0	601
B.1.5	Youth Program	1,646	0	0	0	1,646	0	1,646
B.2.1	Cable/Community TV	3,875	0	46	0	3,921	0	3,921
B.2.2	Recreation Information/Tickets/Tours	103	0	0	0	103	0	103
B.2.3	Recreational Swimming	1,056	0	0	0	1,056	0	1,056
B.3.1	Directed Outdoor Recreation	2,689	0	504	0	3,193	0	3,193
B.3.2	Outdoor Rec Equip Checkout	589	0	137	0	726	0	726
B.3.3	Boating w/o Resale or Private Berthing	1,363	0	46	0	1,409	0	1,409
B.3.4	Camping (Primative and/or tents)	441	0	0	0	441	0	441
B.3.5	Riding Stables, Government-owned or leased	177	0	0	0	177	0	177
B.4.1	Amateur Radio (MARS)	377	0	0	0	377	0	377
B.4.2	Performing Arts (Music, Drama and Theater)	0	0	0	0	0	0	0
B.4.3	Arts and Crafts Skill Development	142	0	0	0	142	0	142
B.4.4	Automotive Crafts Skill Development	685	0	46	0	731	0	731
B.4.5	Bowling (12 lanes or less)	2,839	0	228	0	3,068	0	3,068
B.4.6	Sports Programs (Above Intramural Level)	597	0	0	0	597	0	597
	Total Cat B Direct Program Operation	35,012	0	1,008	0	36,020	0	36,020
	Direct Overhead (Category level only)	-731	0	0	0	-731	0	-731
	Indirect Support (Category level only)	24,098	0	116	0	24,214	0	24,214
	URD Practice (Memo entry - Total Category level)	12,988	0	0	0	12,988	0	12,988
	USA Practice (Memo entry - Total Category level)	0	0	0	0	0	0	0
TOTAL APF SUPPORT - CAT B		**58,379**	**0**	**1,123**	**0**	**59,503**	**0**	**59,503**

SAMPLE

Fiscal Year 2005
MWR Category

	Category C	**O&MMC**	**Appropriations** **O&MMCR**	**MPMC**	**RPMC**	**Total APF Operating**	**MILCON**	**Total APF Support**
REVENUE GENERATING PROGRAMS								
C.1.1	Military Open Messes (Clubs)	0	0	0	0	0	0	0
C.1.2	Restaurants, snack bars & other food outlets	640	0	332	0	972	0	972
C.2.1	PCS Lodging	109	0	0	0	109	0	109
C.2.2	Recreational Lodging	0	0	0	0	0	0	0
C.2.3	Joint Service Facilities and/or Armed Forces Rec Ctrs	164	0	92	0	255	0	255
C.3.1	Flying Program	335	0	0	0	335	0	335
C.3.2	Parachute/Sky Diving Program	0	0	0	0	0	0	0
C.3.3	Rod and Gun Clubs	0	0	0	0	0	0	0
C.3.4	Scuba/Diving Clubs	0	0	0	0	0	0	0
C.3.5	Horseback Riding Clubs	86	0	0	0	86	0	86
C.3.6	Video Program	0	0	0	0	0	0	0
C.4.1	Resale activities (I.e. audio, photo, recycling, car wash, etc.)	13	0	0	0	13	0	13
C.4.2	Amusement & Recreation Machines and/or Gaming	279	0	881	0	1,160	0	1,160
C.4.3	Bowling (Over 12 lanes)	5	0	0	0	5	0	5
C.4.4	Golf	441	0	0	0	441	0	441
C.4.5	Boating (with resale or private boat berthing)	77	0	0	0	77	0	77
C.4.6	Equipment Rental (other than outdoor rec eqpt)	109	0	0	0	109	0	109
C.4.7	Unofficial Comm Travel Svc	0	0	0	0	0	0	0
C.4.8	Other	0	0	0	0	0	0	0
	Total Cat C Direct Program Operation	2,258	0	1,304	0	3,562	0	3,562
	Direct Overhead (Category level only)	0	0	0	0	0	0	0
	Indirect Support (Category level only)	2,188	0	0	0	2,188	0	2,188
	URD Practice (Memo entry - Total Category level)	19,777	0	0	0	19,777	0	19,777
	USA Practice (Memo entry - Total Category level)	0	0	0	0	0	0	0
TOTAL APF SUPPORT - CAT C		**4,445**	**0**	**1,304**	**0**	**5,750**	**0**	**5,750**

SAMPLE

Fiscal Year 2005
MWR Category
Category D

	Appropriations				Total APF		Total APF
	O&MMC	**O&MMCR**	**MPMC**	**RPMC**	**Operating**	**MILCON**	**Support**
Other MWR & NAFI Programs							
Civilian MWR							
Direct Program Operation	0	0	0	0	0	0	0
Direct Overhead	0	0	0	0	0	0	0
Indirect Support	0	0	0	0	0	0	0
TDY Lodging							
Direct Program Operation	5,401	0	1,352	0	6,753	0	6,753
Direct Overhead	5,337	0	1,384	0	6,721	0	6,721
Indirect Support	2,161	0	0	0	2,161	0	2,161
PCS Lodging (Not MWR Category C)							
Direct Program Operation	0	0	0	0	0	0	0
Direct Overhead	0	0	0	0	0	0	0
Indirect Support	0	0	0	0	0	0	0
Supplemental Mission NAFIs							
Direct Program Operation	0	0	0	0	0	0	0
Direct Overhead	0	0	0	0	0	0	0
Indirect Support	0	0	0	0	0	0	0
Armed Services Exchange							
Direct Program Operation	0	0	4,634	0	4,634	0	4,634
Direct Overhead	0	0	4,634	0	4,634	0	4,634
Indirect Support	0	0	0	0	0	0	0
URD Practice (memo)	2,979	0	0	0	2,979	0	2,979
USA Practice (memo)	0	0	0	0	0	0	0
TOTAL APF SUPPORT - CAT D	**12,899**	**0**	**12,005**	**0**	**24,904**	**0**	**24,904**

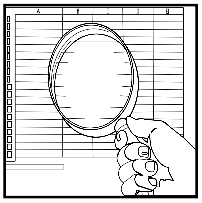
SAMPLE

Family Support							
Direct Program Operation	21,261	26	0	0	21,287	0	21,287
Off Duty and Voluntary Education Programs							
Tuition Assistance (Direct Program Operation)	29,594	0	0	0	29,594	0	29,594
Other Voluntary Education Programs (Direct Pgm Op)	4,742	0	0	0	4,742	0	4,742
TOTAL APF SUPPORT - All CATEGORIES	**188,553**	**1,272**	**21,841**	**0**	**211,666**	**7,360**	**219,026**

SAMPLE

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 - MANAGE BUDGET/FUNDS

TASK 5.3



Monitor NAF & APF Budget Execution

DO THIS TASK WHEN

- FY has begun and NAF/APF budget is being executed.
- NAF funds are being spent and revenue received.
- Budgeted Appropriated Funds (APF) are being obligated according to the APF spending plan.
- Additional APF are received/reprogrammed.
- Local NAF and APF budget records and quarterly reports are received/reviewed.
- MCCS budget report is generated (AXS-ONE).
- MCCS financial statement is received (AXS-ONE).
- Standard Accounting and Budgeting Record (SABRS) report (APF) is generated.
- Preparing next year's NAF and APF budget projections/ input.
- Conducting mid-year and end-of-fiscal-year reviews.

REFERENCES

- DoDFRM 7000.14 (series), Financial Management Regulation, Vol 13, NAF Policy and Procedures.
- AXS-ONE Financial Software.

REFERENCES (cont.)

- DoDI 1015.15 Procedures for Establishment, Management and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources..
- MCO P1700.27 Marine Corps MCCS Policy Manual.
- MCO P1710.30D Children and Youth Programs Manual.
- DoD 1015.10 Programs for Military Morale, Welfare, and Recreation (MWR).
- Local Budget Guidance.

RESOURCES/ SUPPLIES

- Current monthly financial statement (MCCS/SABRS).
- Previous month’s financial statement.
- Operating Budget (OpBud) reports.
- Appropriate subsidiary records.
- Local NAF and APF budget forms.
- AXS-ONE Software.
- Budget Variance Report.
- Budget Verification Report.
- Budget Input Report.
- Procurement documents.
- Computer and spreadsheet software (MS Excel, etc.).
- Calculator.
- Approved budget.

THIS TASK IS DONE CORRECTLY WHEN

- NAF and APF budgets are monitored throughout the month and their respective Fiscal Years.
- NAF and APF funds are spent as planned/budgeted and authorized.
- Operational adjustments are based on budget variances and budget changes are based on operational needs.

NOTES

One purpose of a budget is to serve as a control. A budget establishes standards against which actual performance (financial obligation) is measured. Constant monitoring of the APF budget to actual provides a look at the amount of variance between authorized APF and execution. Similar monitoring of the NAF budget provides a look at the amount of variance between actual and projected revenue and expense and explores possible reasons for variances. The results of this comparisons tell us when and what changes need to be made to either the Program or the budget.

This task focuses on ***monitoring*** budget execution, not analyzing monthly financial statements. While closely related, this task does not duplicate the Steps in 5.4, Analyze AXS-ONE Financial Statements.

The difference between Tasks 5.3 and 5.4 is that in this Task you are using AXS-ONE financial data that is very nearly in real time. In Task 5.4 you examine the financial results of the prior month. (I.e., historical data versus real-time data.) The real- time AXS-ONE data gives you information on which you can take immediate action to positively influence the current month's financial results.

NOTES (cont.)

This task begins with you taking actions to monitor actual NAF income and expenses and/or available budgeted APF and obligations as compared to those predicted and planned for in the current year's NAF and APF budgets. The steps in this task should be accomplished during the month; at the end of each month and quarter; during mid-year review; and the end of the fiscal year.

Your Finance Office may maintain a budget record that tracks your expenditures and ensures that money is available in the budget for your future/planned expenditures/procurement requests.

However, you need to track YOUR budget execution in accordance with local policy. AXS-ONE produces the Budget Variance report which allows you to track your NAF budget performance. You will also need to reconcile your total costs with the actual costs reflected on other Financial reports.

Monitoring the APF budget is different than monitoring the NAF budget. However, much of APF is executed using UFM practices. These APF transactions are monitored and tracked as if you used NAF and are reflected in the AXS-ONE reports.

APF transactions are monitored and tracked differently.
You do not have access to APF data using the AXS-ONE reports or financial statements. The MCCS Finance Office/ APF Comptroller tracks APF online or uses printed reports from the Standard Accounting and Budget Reporting System (SABRS) to track APF.

Review, as applicable, the APF or NAF budget **PRIOR** to authorizing/requesting expenditures to ensure availability of funds. REMEMBER, **APFs** cannot be obligated without authorization--you can't spend what you don't have!

NOTES (cont.)

The steps in this task will most likely remind you of the way you maintain your checking account. The similarity does not stop there--when you get you SABRS/AXS-ONE statement, you will reconcile your budget record with the statement just as you do with your checking account to the bank statement.

You determine, in concert with your immediate supervisor, MCCS AC/S Director, what makes business sense to you. Budgets can be maintained weekly, monthly, quarterly or annually--you make the call! Although not a requirement, emphasis should be placed on monitoring the budget at least monthly and more often if needed..

It is important that you identify the budget items you will track. One of the ways you stay atop how your Program/ business is doing, is by responsible and timely budget execution.

If a major need is missed in the budget, prepare a memorandum of justification and submit to the MCCS AC/S, Director via your chain of command.

If you have an OpBud, it is important that you accurately track your APF execution as well.

In any case, monitor your high impact budget lines.

PROCEDURE

Step 1 Use the following table to select the appropriate steps to track and monitor your NAF or APF budget execution.

IF YOU ARE TRACKING/MONITORING:	THEN:
NAF Budget Execution.	Go to Step 2.
APF Budget Execution.	Go to Step 12.

TRACK/MONITOR NAF BUDGET EXECUTION

Step 2 Request copies of the Budget Variance Report from the Finance Office.

NOTE: Due to month end close out and normal delay in processing beginning of month transactions you should request the Budget Variance Report in the 3rd week of the month. See example after page 5.3.16. Contact the Finance Office to obtain a copy of this Variance Report with the most current data

Step 3 Gather the following documents and information to monitor NAF budget execution.

☐ Revenue supporting documentation.

- Daily Activity Record (DAR).
- Point of Sale Report.
- Sales Journal (locally generated records).
- Cash sales receipts.
- Customer payments (deposits).

☐ PeopleSoft Report or local payroll information. (This is your only source for payroll breakdown/employee details.)

☐ Bills, invoices, vouchers, delivery tickets, requisitions, BPA/BPO reports, call sheets, travel vouchers, usage records, inventory records, etc.

☐ Purchase orders, purchase requests, contracts, etc. List of open orders. (Open orders are obligations. Orders are not posted until services or items are received. Therefore, “open” orders are not reflected in the accounting data. This results in a larger than expected variance between plan and actual.)

☐ NAF purchase card records.

☐ Uniform Funding management (UFM).

☐ Marine Corps/government obligation documents. (E.g., NAVCOMPT 2276 and DD Forms: 1149, 1348, and 1155.)

NOTE: The purpose of this Step is to remind you to gather data and documentation that tells you what your Program has (or should have) earned and spent/obligated--your actual financial performance for the period you are monitoring.

You may find utility in creating and maintaining spreadsheet documents to keep track of your daily revenue and costs. Or you may choose to maintain copies of DARs, POS printouts, sales receipts, purchase request documents, invoices, BPA/BPO reports, call-in sheets, credit card log, etc. on clip boards or in file folders.

You will use this data/documentation to confirm/validate the data you will be examining in the various AXS-ONE Reports.

Step 4 Locate, on the Budget Variance Report, the major Income Accounts that are outside an acceptable range of financial performance for the financial time period you are examining. (1st 2 weeks of Accounting period, 1st 3 weeks of Accounting period, etc. See table below.) **[Read all of Step 4 before starting to examine your AXS-ONE reports.] See sample report after page 5.3.10**.

- Major income accounts include sales (4000 series), other income and commissions (8000 series).
- Depending on the nature of your business, you will determine which accounts to examine, if any.

NOTE: AXS-ONE does not include dollar signs or percent signs throughout its reports.

This Step deals with your income accounts only. Step 6 repeats these processes for your expense accounts.

Posting and closeout will cause your actual financial data to lag anywhere from 10 to 14 days each month.

The Budget Variance Retail always shows Period Ending Date. The date on the upper right hand corner of the header shows Run Date.

☐ Under the left side of the report locate the column **PCT VAR**. Find any line item that has a variance percentage greater than 10% above target.

IF YOU ARE EXAMINING:	YOU'D EXPECT TO MAKE THIS AMOUNT OF INCOME BUDGETED FOR THE MONTH:	YOUR TARGET VARIANCE FROM PLAN (BUDGET) SHOULD BE:	THEN EXAMINE VARIANCES WHICH ARE:
1st 2 weeks of period.	Half	50%	60% or higher, Unfavorable →
1st 3 weeks of period.	3/4	25%	35% or higher, Unfavorable →

NOTE: The target variance percentages and the ranges above are used because AXS-ONE calculates month-to-date performance against the entire month's budget figures. AXS-ONE can not break down budget to daily, weekly, cumulative month to date, etc.

STEP 4 (cont.)

NOTE: Examining the variance percentages is one way to monitor how you are doing during the month with regard to your budget. However, if you are more accustomed to monitoring your key indicators as dollar figures, then you should use the actual dollar figures found in the column, **MONTH ACTUAL**. These are compared to what you "know" about your Program – daily awareness of sales and expenses. You have to decide which makes more sense to you and which is easier.

Examples of variances and actual dollar figures that would require further examination:

% Example: You are looking at your statement at the end of the 1st 2 weeks and you notice a 80% variance in sales. This is **above** the 1st 2 weeks target of 50% and outside the acceptable 10% range (60%) indicating a possible problem in sales. See example on next page.

Your action would be to investigate further by examining your local supporting documentation (DAR, sales log, inventories, etc.).

$ Example: You are looking at your statement at the end of the 1st 3 weeks and notice that your sales during league time (you are a bowling center) is $2,500.00 through three weeks. This is well below your pro shop norm of $6,000 for a typical three-week period. (Budget is $8,000 for this month.) Remember, performance **below** budget sales is **not** a good thing. Example report not provided.

Your action would be to investigate further by examining your documents or contacting the Finance Office.

Time Frame for this report is the 1st 2 weeks of month.

Date always shows end of period date only.

Run Date 16th month.

```
*********************************************************************************************   Fri    Dec 16,    20XX            3:10  PM *
                                                                                                                                        *
                                       BUDGET VARIANCE P&L                                                                              *
                                       COST CENTER LEVEL                                                                                *
*                                      PERIOD ENDING Dec 31, 20XX                                                                       *
*                          (RP-STDBUDO2_LD-PL_STBU1    CD-P&L_06    AC-MWR_PL    )                                                     *
***************************************************************************************************************************   Page   11 *
```

ITT TICKET

Income Accounts

MONTH ACTUAL	MONTH BUDGET					YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE	PCT VAR
				SALES					
0.00	40,800.00	40,800.00-	100.00	4101	GROSS SALES	28.00	617,050.00	617,022.00-	100.00-
70.00-	0.00	70.00-	100.00	4103	RETURNED SALES	194.50	0.00	194.50	100.00
0.00	0.00	0.00	0.00	4104	TERMINAL MD/DISCOUNT	24.00-	0.00	24.00-	100.00
0.00	0.00	0.00	0.00	4124	INTRA MCCS SALES	290.00	0.00	290.00	100.00
7,835.25	0.00	7,835.25	100.00	4301	SERVICES/FEES	481,977.65	0.00	481,977.65	100.00
7,915.25	40,800.00	32,984.75-	80.25		NET SALES	482,466.15	617,050.00	134,583.85-	21.81-
				COST OF SALES					
7,815.25	40,8		.85		GROSS PROFIT	482,466.15	617,050.00	134,583.05-	21.81-
				OPERATING EXPENSES					
				PAYROLL EXPENSES					
9,329.21	24,478.00	15,149.79-	61.89	6101	SALARIES AND WAGES	229,922.18	275,517.00	45,594.82-	16.55-
759.79	0.00	759.79	100.00	6102	FICA TAX	18,401.41	0.00	10,401.41	100.00
363.75	0.00	961.75	100.00	6103	ANNUAL LEAVE	20,711.76	0.00	20,713.76	100.00
633.65	0.00	633.65	100.00	6104	SICK LEAVE	7,212.89	0.00	7,232.89	100.00
0.00	0.00	0.00	0.00	6139	OVERTIME	428.40	0.00	428.40	100.00
0.00	0.00	0.00	0.00	6140	TRAIN SAL/WAGE-JOB REL	360.96	0.00	140.96	100.00
11,586.40	24,479.00	12,892.60-	52.67		TOTAL PAYROLL EXPENSES	277,059.60	175,517.00	1,542.60	0.56

Var % is 80. Step 4 table says it should be 50% + 10%. No more than 60%

				HEADQUARTERS TRAINING					
0.00	0.00	0.00	0.00	6266	CONTRACTED LABOR	530.33	0.00	530.33	100.00

Step 5 Verify the accuracy of the **Sales Accounts** you identified as outside an acceptable range of financial performance for the financial time frame you are examining. (1st 2 weeks, 1st 3 weeks.)

The things you need to verify by your local documentation and/or with the Finance Office are:

- Math errors, correct entries, totals, figures transposed.
- Correct account.
- Correct cost center.
- Unposted documents.

Step 6 Locate, on the Budget Variance Report, the major Expense Accounts that are outside an acceptable range of financial performance for the financial time period you are examining. (1st 2 weeks of Accounting period, 1st 3 weeks of Accounting period, etc. See table below.) **See sample report after page 5.3.16**.

- Major Expense Accounts are Cost of Sales, Total Payroll Expenses, Total Other Employee Expense, Total Assessment, Total Utilities and Communication, Total Property and Facilities and Total Other Expenses.
- Depending on the nature of your business, you will determine which accounts to examine, if any.

NOTE: AXS-ONE does not include dollar signs or percent signs throughout its reports.

This Step deals with your income accounts only. Step 6 repeats these processes for your expense accounts.

Posting and closeout will cause your actual financial data to lag anywhere from 10 to 14 days each month.

The Budget Variance Retail always shows Period Ending Date. The date on the upper right hand corner of the header shows Run Date.

☐ Under the left side of the report locate the column **PCT VAR**. Find any line item that has a variance percentage greater than 10% below target.

IF YOU ARE EXAMINING:	YOU'D EXPECT TO MAKE THIS AMOUNT OF EXPENSE BUDGETED FOR THE MONTH:	YOUR TARGET VARIANCE FROM PLAN (BUDGET) SHOULD BE:	THEN EXAMINE VARIANCES WHICH ARE:
1st 2 weeks of period.	Half	50%	40% or lower, Unfavorable →
1st 3 weeks of period.	3/4	25%	15% or lower, Unfavorable →

NOTE: Be careful... the range in this table for Expense Accounts is the Reverse of the Table in Step 4 for Income Accounts.

The target variance percentages and the ranges above are used because AXS-ONE calculates month-to-date performance against the entire month's budget figures. AXS-ONE can not break down budget to daily, weekly, cumulative month to date, etc.

STEP 6 (cont.)

NOTE: Examining the variance percentages is one way to monitor how you are doing during the month with regard to your budget. However, if you are more accustomed to monitoring your key indicators as dollar figures, then you should use the actual dollar figures found in the column, **MONTH ACTUAL**. These are compared to what you "know" about your Program – daily awareness of income and cost. You have to decide which makes more sense to you and which is easier.

Examples of variances and actual dollar figures that would require further examination:

% Example: You are looking at your statement at the end of the 1st 2 weeks and you notice a 10% variance in an Expense Account. This is **below** the target of 50% and outside the acceptable 10% range (40%) indicating a possible problem in the Expense Account. See example on next page.

Your action would be to investigate further by examining your local supporting documentation (invoices, payroll records, contracts, etc.).

$ Example: You are looking at your statement at the end of the 1st 3 weeks and notice that your Supplies Account is $3,000.00 for the week. This is well above your target of $2,000 per week. (Budget is $8,000 for this month.) Remember, spending **above** your budget is **not** a good thing. Example report not provided.

Your action would be to investigate further by examining your local documents or contacting the Finance Office.

Time Frame for this report is 2 weeks. 2nd page of report.

Date always shows end of period date only.

Run Date 16th month.

BUDGET VARIANCE P&L
COST CENTER LEVEL
PERIOD ENDING Dec 31, 20XX
(RP-STDBUDO2_LD-PL_STBU1 CD-P&L_06 AC-MWR_PL)

Fri Dec 16, 20XX 3:10 PM

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CCTR 5860 GOLF COURSE

MONTH ACTUAL	MONTH BUDGET	VARIANCE	PCT VAR			YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE	PCT VAR
0.00	0.00	0.00	0.00		TOTAL HEADQUARTERS TRAINING	530.33	0.00	530.00	100.00
				ASSESSMENTS					
0.00	938.65	938.65-	100.00	6271	OPERATING FUND ASSESSMENT	10,910.30	14,194.90	3,284.60-	23.14-
0.00	1,019.75	1,019.75-	100.00	6272	CCF ASSESSMENT	11,859.02	15,423.50	3,564.48-	23.11-
0.00	1,958.40	1,958.40-	100.00		TOTAL ASSESSMENTS	22,769.32	29,618.40	6,849.08-	23.12-
				UTILITIES & COMMUNICATIONS					
0.00	0.00				POSTAGE	6.80	120.00	113.50-	94.33-
0.00	145.00				TELEPHONE	1,414.68	1,595.00	180.32-	11.31-
0.00	1,210.00				UTILITIES	14,604.03	13,310.00	1,294.03	9.72
0.00	1,355.00	1,355.00-	100.00		TOTAL UTILITIES & COMMUNICATIONS	16,025.51	15,025.00	1,00.51	6.66
				PROPERTY & FACILITIES					
0.00			0.00	6403	RENEWALS/REPL/MINOR BQ-G6	528.69	0.00	528.69	100.00
0.00	3,41		10.00	6406	DEPR EXPENSE-PROP & EQUIP	28,166.51	37,576.00	9,409.49-	25.04-
0.00			0.00	6407	DEPRECIATION-BLDG	283.10	0.00	283.10	100.00
3,769.00	92		307.46	6410	REPAIR & MAINTENANCE	51,396.38	39,175.00	12,221.38	31.20
2,363.58	2,48		4.86	6418	RENTAL	26,672.73	27,324.00	651.27-	2.38-
6,132.58	6,82		10.15		TOTAL PROPERTY & FACILITIES	107,047.41	104,075.00	2,972.41	2.86

Expense Accounts

Var % is 10. Step 6 table says it should be 50% + 10%. No more than 40% Var

* * *

MONTH ACTUAL	MONTH BUDGET	VARIANCE	PCT VAR			YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE	PCT VAR
				EXTRAORDINARY INCOME/LOSS					
12,491.04-	629.40-	11,861.61-	***.**		NET PROFIT	46,470.64-	90,434.60	136,905.24-	151.39-

Step 7 Verify the accuracy of the **Expense Accounts** you identified as outside an acceptable range of financial performance for the financial time frame you are examining. (1st 2 weeks, 1st 3 weeks.)

The things you need to verify by your local documentation and/or with the Finance Office are:

- Math errors, correct entries, totals, figures transposed.
- Correct account.
- Correct cost center.
- Unposted documents.

NOTE: Completion of Steps 4 through 7 determined if the figures you examined were correct. You determined that the data was posted correctly, transcribed correctly, matched supporting documents, etc.

So…, the numbers are right, but the performance isn't. The next Steps show you how to deal with unfavorable financial performance.

Step 8 Use the following checklist to identify possible cause(s) of figures that you identified as unfavorable in either income or expense accounts.

☐ Have you encountered unanticipated troop rotations, environmental requirements, change in APF/UFM, etc.?

☐ Changes in inflation greater or less than anticipated?

☐ Have you added, changed or dropped activities, events, products, or services?

☐ Have you added, changed or cut staff or staff schedules?

☐ Have you incurred unplanned expenses or delayed planned expenses? (E.g., equipment or structural failures, losses, new requirements, change to standards, policy changes, etc.)

☐ Have income shortfalls or plus ups occurred?

☐ Impact of weather?

☐ Have you accelerated or delayed planned obligations?

☐ Are you obligating arbitrarily without having/using a purchasing/budget plan?

NOTE: If you are under obligating, ensure your Program is operating effectively and that you are providing (or exceeding) what your customers/patrons expect. Do not save on budget at expense of customer service.

Step 9 Determine what action will correct financial performance you identified unfavorable, based on the following causes.

IF CAUSE IS:	THEN:
Unanticipated troop rotations, environmental requirements, changes in APF/UFM, etc.	1. Ensure you can justify additional expenditures/obligations. 2. Work with your immediate supervisor and the MCCS Finance Office to determine if money can be moved from one (or more) of your accounts, within your Cost Center, or from another Cost Center. **AND/OR** 3. Seek budget adjustment. (Also, see the enclosure in Task 5.1, Prepare NAF Budget Projections for alternative resource sources.)
Unanticipated change in Inflation.	
Unplanned expenses. (E.g., equipment, structural, failures, losses, new requirements, changes to standards, policy changes, etc.)	
Added, changed or dropped activities, events, products or services.	
Unanticipated revenue shortfalls or plus ups.	
Accelerated/delayed planned obligations.	
Weather.	
Added, changed, cut staff or staff schedules.	
Whether by action or inaction, you’ve obligated above your purchasing/budget plan.	1. This is your problem! 2. Develop/adjust a spending plan to get back on budget. (E.g., make adjustments to Program. See Task 5.4) 3. Advise your immediate supervisor.

Step 10 Determine what to do next.

IF YOU:	AND:	THEN:
Justified additional funds.	This action corrected your budget variance.	1. Great! **Stop here.** 2. Continue monitoring actual to budget.
	This action was insufficient to correct the budget variance.	1. See Tasks 5.1 to examine how budgets are justified or decisions disputed. 2. See Task 5.4 to analyze financials to isolate and correct operational problems.
Made minor adjustments to your spending plan.	This action corrected your budget variance.	1. Great! **Stop here.** 2. Continue monitoring actual to budget.
	This action did **NOT** correct your budget variance.	1. See Tasks 5.1 to examine how budgets are justified or decisions disputed. 2. See Task 5.4 to analyze financials to isolate and correct operational problems.

NOTE: Many budget variances will require no more complicated management action than minor line item reassignments, changes to schedules, delaying purchases, prorate costs with another Cost Center, etc.

Step 11 Brief your immediate supervisor, key staff members, and the MCCS director about your NAF budget status and financial performance. (See Task 5.4, Analyze Financial Statements for briefing bullets.)

Things to consider for your brief:

☐ Comparison of budget to actual for each account.

☐ Explanation of significant variances.

☐ Budget adjustment results.

☐ Decisions based on recommendations for Program changes to achieve/ maintain budget goals. (See Task 5.4, Analyze Financial Statements for a model planning process to implement any proposed changes.)

NOTE:	The frequency or necessity of this brief will be based on local policy and practice and the significance of "what" needs to be briefed.

Stop here!
You have completed the steps for tracking NAF budget using AXS-ONE and applicable supporting budget records/documents.

TRACK/MONITOR APF BUDGET EXECUTION

NOTE: **APF data is not available in the AXS-ONE system.** APF data is managed by Standard Automation Budget Record System (SABRS). Other local systems may be in use, also.

You probably will not have access to the APF data online. However, your local Finance Office/Comptroller probably will. If not, they will be able to get copies of the APF reports.

Step 12 Examine your APF budget record from SABRS, or your local Finance Office/Comptroller.

☐ If using a local system, ensure your budget log/records/spreadsheet contain:

- Obligation/Allocation reference number.
- Item description, dates, quantity ordered and received.
- Commitment obligation amount.
- Amount disbursed to-date.
- The budget figures for the period referred to as a control figure/total or Operating Target (OPTAR).
- A running total of all allocations.
- All obligated (committed, but not yet paid) expenses versus budgeted expenses.
- A running balance of budgeted funds available.
- Current percent of control or OPTAR obligated.

☐ Accomplish the APF review monthly, quarterly, during mid-year, and just before the end of the year (fourth quarter).

Step 13 Compare your current allocations to your current APF budget balance to identify whether you are on target, under-spending, or over-spending.

IF:	THEN YOU ARE:
5% or more above Budget	Over-spending/allocating. **(SEE NOTE BELOW!)**
Between 5% above and 5% below Budget	On target. STOP HERE. Congratulations ☺
5% or more below Budget	Under-spending/allocating.

NOTE: We used 5% as the variance percentage “Red Light” for this example. You will need to use local guidance for your permitted % of APF budget variance. Variance percent is calculated by subtracting actual from budget and dividing that figure by the budget and multiplying by 100.

Example: $500 - $365.50 = $134.50 ÷ $500 = .269 x 100 = 26.9%
Budget - Actual = $ xx.xx ÷ Budget = .xxx x 100 = xx.x VAR %

APF CANNOT BE OBLIGATED IN EXCESS OF YOUR APF BUDGET!

Check points in the APF purchasing system should prevent allocation above budget. Check current balance before submitting APF purchase requests.

Step 14 Using the following prompts, decide what action you will take relative to your APF budget allocations/performance.

- Are you under-spending/allocating?
    - Confirm the accuracy of all the figures/calculations.
    - Confirm your records with the finance office/comptroller.
    - Confirm your records with Purchasing. (E.g., open allocations, billings, records, lost paperwork, etc.)
    - Check your spending/purchasing plan.
    - Determine if under-spending is impacting Program effectiveness.
    - Notify your immediate supervisor and the MCCS Director/Program Manager and the finance office/comptroller that you have excess APF funds available for other MWR/MCCS application.
- Are you overspending? (**APF CANNOT be allocated in excess of your approved APF budget!**)
    - Confirm the accuracy of all the figures/calculations.
    - Confirm your records with the finance office/comptroller.
    - Confirm your records with Purchasing. (E.g., allocations, billings, records, lost paperwork, etc.)
    - Check your spending/purchasing plan.
    - Confer with your immediate supervisor or the MCCS Director/Program Manager or finance office/comptroller to determine if additional APF can be transferred to another budget line item.
    - Confer with your immediate supervisor or the MCCS Director/Program Manager to determine if your APF budget can be increased with new money.

NOTE: It is advisable to execute your APF spending in the first three quarters of each Fiscal Year per Uniform Funding Management (UFM) guidance. Spend evenly; don't dump all APF allocations into the fourth quarter as you may risk the chance that your funds will be realigned to another program.

Ensure you have your APF control figures for your Program. The Comptroller provides these to the MCCS Director/Program Manager or CFO.

Ensure you develop an annual APF spending plan, which will be reviewed by your immediate supervisor and reviewed and approved by the MCCS Director/CFO, then sent to the Comptroller.

The approved Base-wide spending totals will determine the amount of OPTAR your Program is allocated quarterly.

Step 15 Take action ASAP when over-obligating Labor costs.

☐ Recruit at the entry level.

☐ Use “time off” awards vice cash awards or Quality Step Increases (QSIs).

☐ Use temporary help.

☐ Minimize use of deputies and assistants.

☐ Justify (reduce) size of support staff.

☐ Use hiring freezes and gap positions when vacated.

☐ Use LWOP when applied for by employees.

☐ Conduct Reduction in Force (RIF).

☐ Cancel career promotions (ladder positions).

Step 16 Take action ASAP when over-obligating costs “Other” than Labor.

☐ Maximize use of Uniform Funding Management (UFM) practice.

☐ See Task 5.4, Analyze Financial Statements.

Step 17 Brief your immediate supervisor, key staff members, the MCCS director/ program manager and CFO/comptroller about your APF budget status and financial performance. (See Task 5.4, Analyze Financial Statements for briefing bullets.)

Things to consider for your brief:

☐ Comparison of budget to actual for each account.

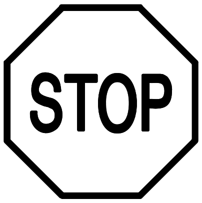
☐ Explanation of significant variances.

☐ Budget adjustment results.

☐ Recommendations for Program changes to achieve/maintain budget goals. (See Task 5.4, Analyze Financial Statements for a model planning process to implement any proposed changes.)

NOTE: The frequency or necessity of this brief will be based on local policy and practice and the significance of "what" needs to be briefed.

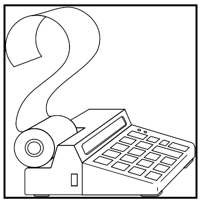
Step 18 Continue to monitor APF budget on a regular basis. (At least monthly, quarterly, mid-year review and end-of-year.)



Congratulations! You've completed this task.

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 - MANAGE BUDGET/FUNDS

TASK 5.4



Analyze Financial Statements

DO THIS TASK WHEN

- You receive the annual or mid-year budget call.
- You receive the AXS-ONE monthly financial statements/reports.
- Your Program's financial condition is skewed or shifting.
- Budget cuts are announced.
- Fall-out monies become available.
- Projects/emergencies create un-budgeted needs.
- You prepare to brief your immediate supervisor or the MCCS Director about your Program's current financial condition.
- You are preparing your next fiscal year's budget projections/input or mid-year review.

REFERENCES

- DoDINST 7000.14 (series), Financial Management Regulation, Vol 13, NAF Policy and Procedures.
- MCO P1710.30D (series) Children and Youth Programs Manual
- MCO P1700.27 (series) MCCS Policy Manual.

REFERENCES (cont.)

- DoDI 1015.15 Procedures for Establishment, Management and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources.
- MCO P1700.27A MCCS Policies Measures of Effectiveness.

RESOURCES/ SUPPLIES

- Current monthly AXS-ONE financial statements/reports.
  - DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL.
  - BUDGET VARIANCE P&L COST CENTER LEVEL.
- NAF & APF budget records/Operating Budget (OpBud).
- Appropriate subsidiary records.
- Computer and spreadsheet software. (E.g., MS Excel.)
- Blank Financial Analysis Work Sheets.
- Calculator.
- Program competition data.
- www1.usmc-mccs.org.

THIS TASK IS DONE CORRECTLY WHEN	• The current month's financial statements are reviewed. • The current month's and year-to-date (YTD) financial data are compared to the YTD budget. • YTD financial data are compared to prior year-to-date data. • Positive trends are identified and analyzed. • Cause of positive trends are determined. • Negative trends are identified and analyzed. • Cause of negative trends are determined. • Subsidiary records are reviewed as needed. • All unusual figures are noted and justified by the MCCS Finance Office. • Plans are developed to resolve problems.

NOTES

You are constantly making decisions regarding products, services, hours of operation, prices, scheduling, etc., that impact your Program and staff. These same decisions also affect the financial performance of your Program. Financial statements/reports can provide you the information to make effective decisions. By analyzing your financial statements, you can make sound operational decisions that improve both the "bottom line" and the quality of your Program.

You should conduct a review at the end of each month, and more often as appropriate to your current operational/ financial trends.

This task details financial analysis procedures for:

- The DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL.

- AND -

- The BUDGET VARIANCE P&L COST CENTER LEVEL.

The above items are part of the monthly MCCS Program AXS-ONE financial statements/reports. The AXS-ONE system has the capability to produce these two statements/ reports at a variety of levels; for example, at the department level (bowling line, snack bar, pro shop), merging all the same type departments together from different locations and merging the different departments at the same location. The format and procedures are the same for analyzing different varieties of the same two reports. What reports you use will depend on your program, your area of responsibility/position, and the purpose of your analysis. We are using cost center level reports in this task. This level of reporting financial data is the basis for all the other reports and is the lowest reporting level for a Detail Profit & Loss Statement. You and your supervisor will decide which report(s) you analyze. But, remember the report format and analysis procedures are the same.

NOTES (cont.)

As you proceed through a financial analysis process, mark (FLAG) any entry you want to explain, justify or substantiate. Also jot down notes regarding favorable/ unfavorable and/or up/down trends upon which you will base management actions (accountability, evaluation, reward, reinforcement, etc.). There are many ways to analyze financial data. This desk reference is set up for analyzing data using the financial statements/reports listed above.

GETTING READY TO DO A FINANCIAL ANALYSIS

Getting a handle on the “big picture” of what is involved in a financial analysis and why we do one is important. If you don’t know ahead of time what you are looking for, rest assured you won’t find it. The following are some reasons why you would analyze financial statements.

- To assess your Program’s earning potential.
- To monitor your Program’s financial transactions to ensure the data on the financial statement is accurate.
- To identify changes needed to correct performance problems.

WHAT WILL THESE ANALYSES TELL ME?

The following are some of the outcomes of analyzing your financial statement:

- Profit/loss trends.
- Up-to-date status on your financial transactions.
- Identification of financial performance problems.
- Plan of action and milestones (POA&M) to implement corrective actions.

NOTES (cont.)

WHEN AND HOW OFTEN DO I DO THIS?

You need to review and analyze your financial statements:

- Monthly.
- More frequently for some items as explained in your MCCS Managers' Desk Reference, Vol. 2.

THE BASICS

It is important that you possess basic information about financial statements in order to make sense of your financial statements/reports.

The following paragraphs cover much of the information you will need.

- *If you are a Business Manager, Accountant, experienced MCCS Program Manager, or if you otherwise already know the basics, you may want to skip this part.*
- There are many parts to the AXS-ONE financial statements; but, we will only focus on the statements that reflect your day-to-day operations as shown on your Detail Profit & Loss statement.

PROFIT/LOSS STATEMENT: The DETAIL PROFIT & LOSS STATEMENT is comparable to a business profit and loss statement, also known as an operating statement.

The statement shows all the transactions of a business over a period of time (e.g., monthly, quarterly, and/or yearly).

THE BASICS (cont.)

The parts of a typical business operating (profit and loss) statement include the following five parts:

1st part:	SALES (Income/sales). (I.e., money received from a sale.)
2nd part:	COST OF SALES/GOODS Sold (COGS). (I.e., the price paid for products sold.)
3rd part:	GROSS PROFIT. (I.e., the sales minus cost of sales/goods sold.)
4th part:	OPERATING EXPENSES. (I.e., all the costs of doing business such as: payroll and employee expenses; travel and transportation; assessments; utilities and communication; property and facilities; insurance; and other operating expense; but does not include the COGS.)
5th part:	NET PROFIT. (I.e., the amount of money left from the gross profit after paying all your expenses. If your expenses are greater than your gross profit you have a net loss.)

As you can see the Detail Profit & Loss Statement is composed of two types of accounts, **income** and **expense**.

- Income accounts show all income, sales, and any money you receive.
- Expense accounts show all costs associated with operating your business such as cost of goods, supplies, salaries, etc.

The flow of income and expense resulting from your Program’s activities, events, products and services are represented on your P&L Statement.

THE BASICS (cont.)

The accounting terms for showing increases and decreases in these accounts are "debits" and "credits".

- Expense accounts are increased with debits and decreased with credits.
- Income accounts are the opposite of expense accounts; they are increased with credits and decreased with debits.

YOUR ROLE IN FINANCIAL STATEMENT DEVELOPMENT

Your Program (and all other MCCS Programs) are the source of most of the data that make up the financial statement. The primary input documents, what happens to them, and their impact on your financial statement are shown in the following table.

INPUTS/SOURCE DOCUMENT	PROCESSES/ FINANCIAL OFFICE ACTIONS	OUTPUTS SHOWN ON THE FINANCIAL STATEMENT
Time sheets/work schedules, time cards, Automated time input, etc.	Paychecks, Payroll Summary.	Salaries & salary related expenses (e.g., leave, FICA, benefits, etc.).
DAR's (e.g., cash, checks, credit, commissions, amusement machine income, customer sales, payments/ deposits, etc.).	DAR Summary.	All Sales/Income (e.g., Sales, Program, Other Income, etc.).
Purchases requests, purchase orders, receiving docs requisitions, Base billings, etc.	Accounts Payable and/or Checks.	Cost of Sales, Other Operating Expenses (e.g., supplies, repairs, phone, etc.).
End-of-month Inventory, certificates of disposition, etc.	Close out/ Allocation of Operating/Hdqtrs. Downloaded expenses, etc.	Calculation of Cost of Sales, Operating/ Other Operating Expenses (e.g., depreciation, utilities expenses, etc.).

The role of the MCCS Finance Office is to process your input (apply debits and credits). These are called financial transactions.

FINANCIAL ANALYSIS

When we look at the operating/profit and loss statement we are looking at all the income and expenses and the resultant net profit or loss for a period. But, we truly do not know how we are doing. Is it worth considering a pay raise or should we be looking at terminating the manager? It is only by comparing these figures to the budget or a prior period that we can draw conclusions (the trend) or get the true picture.

This task will give you step by step procedures to complete this comparison (which we will call analysis). Our analysis will mainly use the comparison to your budget because AXS-ONE performs this analysis for you in the BUDGET VARIANCE P&L COST CENTER LEVEL statement. This comparison will only be effective/useful if the budget is realistic, accurate and reflects an achievable management plan for your program.

In addition to the budget comparison you need to perform an analysis that compares current actual performance with prior period historical data. The Detail Profit &Loss Statement is used to make this comparison. This analysis adds value to the budget comparison by highlighting changes from prior periods, helps in seasonal businesses, and is a validity check on budget projections.

PROCEDURE

PREPARATION

Step 1 Gather your **COPIES** of the AXS-ONE monthly financial statements, and any subsidiary records needed. (See example of the statements after page 5.4.56.)

Use both the:

☐ The DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL.

- AND -

☐ The BUDGET VARIANCE P&L COST CENTER LEVEL.

Step 2 Ensure your copies contain all the different cost centers for each of your Program's operating and overhead departments.

NOTE: As part of the continuing career development program for your staff, you might, after conducting on-the-job training using these desk reference procedures, involve the responsible operating department supervisors in this task.

They would share in the analysis of their own departments and would quickly realize that decisions that they made during a month are reflected as part of the financial statements.

However, until you are confident that your supervisors/managers are capable of performing these tasks, it will remain your responsibility to analyze not only the OVERHEAD Cost Center, which you would never delegate, but also all the individual Operating Cost Centers of your Program.

Step 3 Make preliminary plans to brief your immediate supervisor and/or the MCCS ACS/Director about the current financial status of your Program.

- Use the following checklist while you are analyzing your Program's current financial condition.
- You will brief the financial condition of your Program, either in total or separated by operating departments.

Be prepared to:

☐ Review the financial goals for the accounting period.

☐ Discuss the actual net profit/loss.

☐ Discuss the variance between budgeted and actual Sales.

- Explain any variable trends.
- Explain reasons for any unfavorable trends.
- Outline any actions taken or planned to reverse unfavorable trends.

☐ Discuss the variance between budgeted and actual Expenses.

- Explain any variable trends.
- Explain reasons for any unfavorable trends.
- Outline any actions taken or planned to reverse unfavorable trends.

☐ Discuss what support you will need to implement your planned actions/changes.

- Personnel actions.
- Fees, prices, or charges.
- Operating scope or hours/days.
- Local policy changes.

☐ Review any capital expenditure needs.

☐ Review any training requirements.

Step 4 Make several copies of the Financial Analysis Work Sheets for the COST CENTERS Statements.

- Blank copies of the work sheets follow at the end of this task.
- Copy a separate work sheet for each of your cost centers and your OVERHEAD cost center.

NOTE: You will need to use the AXS-ONE Structure to identify the line items on your financial statement.

The following explains and provides examples of how the AXS-ONE Structure classifies/displays your daily financial transactions on your financial statement.

AXS-ONE structure consists of three letters and as many as 16 digits. Here is how it is displayed:

XXX-XXXX-XX-XXXX-XXX-XXX

The first three letters are coded with the **Company** which is the Command.

Example: ALM which represents Albany, YUM for Yuma, etc.

The next four digits are coded with the type of business (**Cost center number**).

Example: 1101 which equals Main Exchange, 5100 equals Intramural Sports, etc. The Company with the business is a seven-digit combination identifier called the ORG.

The next two digits are the **Command key** which is used to record the cost center number on the location level.

Example: 01 represents Retail, 02 is Food and Hospitality, etc.

The next four digits are coded with the General Ledger **Account Code**.

Example: 4101 records Sales, 6101 equals Salaries, etc.

STEP 4 (cont.) The next three digits are the **Sub identifier** which records data in a more specific manner.

Example: 001 equals freight, etc.

The last three digits are used to identify a **Department**.

Example: 100 equals Shoes in the Retail Branch.

Example: If you have a AXS-ONE Structure coded ALM-1011-01-4101-000-000, you are recording a Retail Sale in the Main Exchange in Albany.

NOTE: Personal and Family Readiness Division Standard Chart of Accounts are provided at pages 5.4.75 - 5.4.83.

Accounts: 1101-3501 are balance sheet accounts.
4101-9401 are P&L accounts.

Validate the accuracy of the account numbers by contacting your local MCCS Chief Financial Officer when it becomes necessary. They will be able to answer your questions regarding which account numbers to use with what business/cost centers.

MCCS Cost Center Identifier List and Department Identifier List can be obtained from your local Finance Office.

STEP 5 Analyze the monthly BUDGET VARIANCE P&L COST CENTER LEVEL financial statement.

NOTE: To start the process of analyzing your financial condition, we are going to use the BUDGET VARIANCE P&L COST CENTER LEVEL and in later steps the DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL.

- These statements/reports will show you the following key information:
    - How well your operation is performing. Are you showing a net profit or loss?
    - The results of your various accounts of your cost centers in comparison to the budget and prior period/year.
    - How well the income and expenses are performing against budget and prior period/year.
        - What accounts need further review.
        - Possible solutions to improve profitability, sales, income, and lower cost of sales, labor and other department expenses.
        - Need for possible budget revision.

- The BUDGET VARIANCE P&L COST CENTER LEVEL financial statement for the Program/cost center is headed with the Program Name and cost center Title and Identifier Number.

- The Title with Identifier Number (e.g., Golf Course Retail is 1051) is found on the AXS-ONE Statement in the center of the page above the account names.

- Starting on the next page we are going to walk you through the BUDGET VARIANCE P&L COST CENTER LEVEL STATEMENT. We will explain to you the different accounts, categories of accounts and how each of these category totals and subtotals are calculated. Later we will explain the headings and how the figures displayed in the headings are calculated. Your understanding of the format of this statement will make your analysis easier and more effective.

EXPLANATION OF THE FORMAT OF A BUDGET VARIANCE REPORT

NOTE: As you read the explanation of the Budget Variance Report take out the corresponding page of the Financial Statement to follow along.

Look at the first page of the Variance report on your right. You will find the heading with the Program Name and cost center Title and Identifier Number located in the center of the report.

Next you will find the Title with Identifier Number (e.g., Bowling Center 5812) is found on the AXS-ONE Statement in the center of the page above the account names. Locate them now.

We are going to explain to you the make up of the first 4 accounts/account categories, that we labeled 1 - 4:

The explanation of these accounts and account categories is as follows:

1. **Net Sales** is calculated by adding and subtracting all the accounts that are included in this sales category. (Series 4100, see page 5.4.79 for the list of accounts.)

2. **Gross Profit** is a formula calculated by Net Sales minus Total Cost of Sales. (Cost of Sales Series 5000, see page 5.4.79.)

3. **Total Payroll Expenses** is calculated by adding and subtracting all the accounts that are included in this category. (Series 6101 - 6193, see page 5.4.79 for the list of accounts.)

4. **Total Other Employee Expenses** is calculated by adding and subtracting all the accounts that are included in this category. (Series 6202 - 6221, see page 5.4.79 for the list of accounts.)

Locate these accounts/account categories now. If you have any problems locating these, please ask the Chief Financial Officer (CFO) or a colleague for help.

```
*CLM            MCCS            ****************************************************************************************  Wed   Jan 12,   20XX             8:03  AM *
*                                                                                                                                                      *
*                                                              BUDGET VARIANCE P&L                                                                     *
*                                                              COST CENTER LEVEL                                                                       *
*                                                           PERIOD ENDING Nov 30, 20XX                                                                 *
*                                                 (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MCCS_PL    )                                               *
*************************************************************************************************************************************************** Page  1  *

                                                CCTR     5812              BOWLING CTR (>12 LANES)

    MONTH           MONTH                           PCT                                                   YEAR TO DATE     YEAR TO DATE                          PCT
    ACTUAL          BUDGET          VARIANCE        VAR                                                     ACTUAL           BUDGET          VARIANCE            VAR
---------------  ---------------  ---------------  ---------                                           ---------------  ---------------  ---------------  ----------
                                                             SALES

    25,842.50       28,000.00        2,157.50-       7.71    4101  GROSS SALES                              251,635.79       232,700.00        18,935.79        8.14
        45.60-           0.00           45.60-     100.00    4103  RETURNED SALES                               478.25-            0.00           478.25-     100.00
        70.00            0.00           70.00      100.00    4124  INTRA MCCS SALES                          10,160.26             0.00        10,160.26      100.00
---------------  ---------------  ---------------  ---------                                           ---------------  ---------------  ---------------  ----------
    25,866.90       28,000.00        2,133.10-       7.62          NET SALES ◄— ①                           261,317.80       232,700.00        28,617.80       12.30

                                                             COST OF SALES
---------------  ---------------  ---------------  ---------                                           ---------------  ---------------  ---------------  ----------
    25,866.90       28,000.00        2,133.10-       7.62          GROSS PROFIT ◄— ②                        261,317.80       232,700.00        28,617.80       12.30

                                                             OPERATING EXPENSES

                                                             PAYROLL EXPENSES

    14,842.42       14,000.00          842.42        6.02    6101  SALARIES AND WAGES                       141,076.97       144,160.00         3,083.03-       2.14-
     1,182.25            0.00        1,182.25      100.00    6102  FICA TAX                                  11,540.51             0.00        11,540.51      100.00
     1,208.32            0.00        1,208.32      100.00    6103  ANNUAL LEAVE                              10,690.40             0.00        10,690.40      100.00
       168.28            0.00          168.28      100.00    6104  SICK LEAVE                                 2,167.63             0.00         2,167.63      100.00
        16.80            0.00           16.80      100.00    6139  OVERTIME                                   1,263.45             0.00         1,263.45      100.00
       218.95            0.00          218.95      100.00    6140  TRAIN SAL/WAGE-JOB REL                     2,153.77             0.00         2,153.77      100.00
         0.00            0.00            0.00        0.00    6141  TRAIN SAL/WAGE-SPEC                          253.62             0.00           253.62      100.00
---------------  ---------------  ---------------  ---------                                           ---------------  ---------------  ---------------  ----------
    17,637.02       14,000.00        3,637.02       25.98          TOTAL PAYROLL EXPENSES ◄— ③              169,146.35       144,160.00        24,986.35       17.33

                                                             OTHER EMPLOYEE EXPENSES

       241.52          175.74           65.78       37.43    6202  401K EMPLOYER SHARE                        2,160.11         1,678.04           482.07       28.73
       502.76          543.91           41.15-       7.57    6203  GROUP BENEFITS                             7,488.71         5,627.79         1,860.92       33.07
         0.00            0.00            0.00        0.00    6209  EMP INCENTIVE/SER AWARDS                     950.00         1,700.00           750.00-      44.12-
         0.00            0.00            0.00        0.00    6218  EMPLOYEE UNIFORMS                          2,367.74           200.00         2,167.74       ***.**
---------------  ---------------  ---------------  ---------                                           ---------------  ---------------  ---------------  ----------
       744.28          719.65           24.63        3.42          TOTAL OTHER EMPLOYEE EXPENSES ◄— ④        12,966.56         9,205.83         3,760.73       40.85
```

EXPLANATION OF THE FORMAT OF A BUDGET VARIANCE REPORT (cont.)

Look at page 2 of the Variance report on your right. You will find the heading with the Program Name and cost center Title and Identifier Number located in the center of the report.

Next you will find the Title with Identifier Number (e.g., Bowling Center is 5812) is found on the AXS-ONE Statement in the center of the page above the account names.

We are going to explain to you the make up of the following accounts/ account categories that we labeled 5 - 8:

The explanation of these account and account category is as follows:

5. **Total Travel & Transportation** is calculated by adding and subtracting all the accounts that are included in this category. (Series 6261 - 6263, see page 5.4.79 for the list of accounts.)

6. **Total Assessments** is calculated by adding and subtracting all the accounts that are included in this category. (Series 6271 - 6275, see page 5.4.79 - 5.4.81 for the list of accounts.)

7. **Total Utilities & Communications** is calculated by adding and subtracting all the accounts that are included in this category. (Series 6303 - 6309, see page 5.4.81 for the list of accounts.)

8. **Total Property & Facilities** is calculated by adding and subtracting all the accounts that are included in this category. (Series 6403 - 6418, see page 5.4.81 for the list of accounts.)

Locate these accounts/account categories now. If you have any problems locating these, please ask the CFO or a colleague for help.

```
*CLM          MCCS          ********************************************************************************  Wed   Jan 12,   20XX          8:03  AM  *
*                                                                                                                                                  *
*                                                   BUDGET VARIANCE P&L                                                                            *
*                                                   COST CENTER LEVEL                                                                              *
*                                                   PERIOD ENDING Nov 30, 20XX                                                                     *
*                                        (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MCCS_PL   )                                                      *
**************************************************************************************************************************************  Page  2   *

                                     CCTR     5812              BOWLING CTR (>12 LANES)

   MONTH          MONTH                          PCT                                                  YEAR TO DATE    YEAR TO DATE                      PCT
   ACTUAL         BUDGET         VARIANCE        VAR                                                     ACTUAL          BUDGET          VARIANCE        VAR
---------------  ---------------  ---------------  ----------                                         ---------------  ---------------  ---------------  ----------
                                                             TRAVEL & TRANSPORTATION

       0.00           0.00            0.00          0.00     6261  EMP REIMB TRAVEL/TRANS                     1,405.82          0.00          1,405.82      100.00
---------------  ---------------  ---------------  ----------                          ◄── ⑤              ---------------  ---------------  ---------------  ----------
       0.00           0.00            0.00          0.00           TOTAL TRAVEL & TRANSPORTATION              1,405.82          0.00          1,405.82      100.00

                                                             HEADQUARTERS TRAINING

                                                             ASSESSMENTS

     257.97         280.00           22.03-         7.87     6271  OPERATING FUND ASSESSMENT                  2,511.58      2,327.00            184.58        7.93
     644.92         700.00           55.08-         7.87     6272  CCF ASSESSMENT                             6,278.94      5,817.50            461.44        7.93
---------------  ---------------  ---------------  ----------               ◄── ⑥                         ---------------  ---------------  ---------------  ----------
     902.89         980.00           77.11-         7.87           TOTAL ASSESSMENT                           8,790.52      8,144.50            646.02        7.93

                                                             UTILITIES & COMMUNICATIONS

   2,978.04       3,500.00          521.96-        14.91     6306  UTILITIES                                 35,018.38     35,000.00             18.38        0.05
---------------  ---------------  ---------------  ----------                             ◄── ⑦           ---------------  ---------------  ---------------  ----------
   2,978.04       3,500.00          521.96-        14.91           TOTAL UTILITIES & COMMUNICATIONS          35,018.38     35,000.00             18.38        0.05

                                                             PROPERTY & FACILITIES

      39.95         200.00          160.05-        80.03     6403  RENEWALS/REPL/MINOR EQ-G&                  7,655.23      9,850.00          2,194.77-      22.28-
     250.00         250.00            0.00          0.00     6405  MAINTENANCE CONTRACTS                      7,745.00      8,500.00            755.00-       8.88-
     220.71         600.00          379.29-        63.22     6406  DEPR EXPENSE-PROP & EQUIP                  4,456.83      6,000.00          1,543.17-      25.72-
     193.64         250.00           56.36-        22.54     6408  DEPRECIATION ALT/IMPRO                     2,078.98      2,500.00            421.02-      16.84-
   2,620.85         250.00        2,370.85        948.34     6410  REPAIR & MAINTENANCE                       7,984.26      2,500.00          5,484.26      219.37
---------------  ---------------  ---------------  ----------                        ◄── ⑧                ---------------  ---------------  ---------------  ----------
   3,325.15       1,550.00        1,775.15        114.53           TOTAL PROPERTY & FACILITIES               29,920.30     29,350.00            570.30        1.94

                                                             MILITARY CLOTHING DPSC

                                                             INSURANCE EXPENSES

                                                             HEADQUARTERS INSURANCE EXPENSES
```

EXPLANATION OF THE FORMAT OF A BUDGET VARIANCE REPORT (cont.)

Look at page 3 of the Variance report on your right. You will find the heading with the Program Name and cost center Title and Identifier Number located in the center of the report.

Next you will find the Title with Identifier Number (e.g., Bowling Center 5812) is found on the AXS-ONE Statement in the center of the page above the account names.

We are going to explain to you the make up of the following accounts/ account categories that we labeled 9 - 13:

The explanation of these account and account category is as follows:

9. **Total Other Operating Expenses** is calculated by adding and subtracting all the accounts that are included in this category. (Series 6701 - 6744, see page 5.4.71 for the list of accounts.)

10. **Total Operating Expenses** is a formula calculated by adding all Operating Expenses and subtracting all Contra and reimbursement. accounts.

11. **Total Other Income & Commissions** is calculated by adding and subtracting all the accounts that are included in this category. (Series 8301 - 8331, see page 5.4.71 - 5.4.73 for the list of accounts.)

12. **Other Deductions** is calculated by adding and subtracting all the accounts that are included in this category. (Series 8501 - 8517, see page 5.4.73 for the list of accounts.)

13. **Net Profit** is a formula calculated by
    Gross Profit (#2)
    minus Total Operating Expenses (#10)
    plus Total Other Income & Commissions (#11)
    minus Other Deductions (#12).

Locate these account/account categories now. If you have any problems locating these, please ask the CFO or a colleague for help.

```
*CLM            MCCS        ************************************************************************  Wed   Jan 12,   20XX           8:03  AM  *
*                                                                                                                                              *
*                                                      BUDGET VARIANCE P&L                                                                     *
*                                                      COST CENTER LEVEL                                                                       *
*                                                   PERIOD ENDING Nov 30, 20XX                                                                 *
*                                         (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MCCS_PL   )                                                *
********************************************************************************************************************************  Page  3  *
                                              CCTR     5812            BOWLING CTR (>12 LANES)
   MONTH        MONTH                     PCT                                                  YEAR TO DATE   YEAR TO DATE                   PCT
   ACTUAL       BUDGET       VARIANCE     VAR                                                     ACTUAL         BUDGET        VARIANCE      VAR
 ------------ ------------ ------------ -------                                               -------------- -------------- -------------- --------
                                                 OTHER OPERATING EXPENSES

       0.00         0.00         0.00     0.00   6703  PRINTING & REPRODUCTION                        25.00         300.00        275.00-    91.67-
   1,140.46     1,500.00       359.54-   23.97   6709  SUPPLIES                                   12,606.93       15,00.00      2,393.07-    15.95-
       5.10         0.00         5.10   100.00   6713  CASH OVER/SHORT                                26.16           0.00         26.16    100.00
     624.21        50.00       574.21    ***.**  6715  ENTERTAINMENT                               1,604.64         500.00      1,104.64    220.93
       0.00       400.00       400.00-  100.00   6717  TOURNAMENTS                                 3,000.00         400.00      2,600.00    650.00
       0.00         0.00         0.00     0.00   6719  ATHLETIC OFC & CLINICS                        221.00         150.00         71.00     47.33
     976.33       300.00       676.33   225.44   6721  AWARDS/PRIZES                               9,088.02       6,000.00      3,088.02     51.47
       0.00       250.00       250.00-  100.00   6724  INTRA MCCS EXPENSE                            473.45       2,500.00      2,026.55-    81.06-
       0.00         0.00         0.00     0.00   6738  IN-KIND COMM SPONORSHIP                         0.00       2,600.00      2,600.00-   100.00-
       0.00       500.00       500.00-  100.00   6741  SALES PROMOTION                               122.00       5,000.00      4,878.00-    97.56-
       0.00         0.00         0.00     0.00   6742  ADVERTISING                                 1,752.75         500.00      1,252.75    250.55
 ------------ ------------ ------------ -------                                               -------------- -------------- -------------- --------
   2,746.10     3,000.00       253.90-    8.46         TOTAL OTHER OPERATING EXPENSES ◄── ⑨   28,919.95      32,950.00      4,030.05-    12.23-
                                                 UFM
 ------------ ------------ ------------ -------                                               -------------- -------------- -------------- --------
  28,333.48    23,749.65     4,583.83    19.30         TOTAL OPERATING EXPENSES ◄── ⑩        286,167.88     258,810.33     27,357.55     10.57

 ------------ ------------ ------------ -------                                               -------------- -------------- -------------- --------
   2,466.58-    4,250.35     6,716.93-  158.03         GROSS OPERATING PROFIT                    24,850.08-     26,110.33-     1,260.25      4.83-
                                                 OTHER INCOME & COMMISSIONS

                                                 INTEREST INCOME

                                                 COMMISSIONS

                                                 OTHER INCOME

       0.00         0.00         0.00     0.00   8320  OTHER INCOME                                   24.00           0.00         24.00    100.00
       0.00         0.00         0.00     0.00   8324  SOLICITED CORP SPSHIP INC                   3,000.00       5,600.00      2,600.00-    46.43-
 ------------ ------------ ------------ -------                                               -------------- -------------- -------------- --------
       0.00         0.00         0.00     0.00         TOTAL OTHER INCOME                         3,024.00       5,600.00      2,576.00-    46.00-
                                                 OTH INCOME MIL CLOTHING DPSC

 ------------ ------------ ------------ -------                                               -------------- -------------- -------------- --------
       0.00         0.00         0.00     0.00         TOTAL OTHER INCOME & COMMISSIONS ◄── ⑪  3,024.00       5,600.00      2,576.00-    46.00-
                                                 OTHER DEDUCTIONS ◄── ⑫

                                                 EXTRAORDINARY INCOME/LOSS
 ------------ ------------ ------------ -------                                               -------------- -------------- -------------- --------
   2,466.58-    4,250.35     6,716.93-  158.03         NET PROFIT ◄── ⑬                          21,826.08-     20,510.33-     1,315.75-     6.42-
```

EXPLANATION OF THE HEADINGS OF A BUDGET VARIANCE REPORT

The Budget Variance Report shows the following headings:

On the left hand side of the report:

Month Actual.
Month Budget.
Variance.
PCT Variance.

On the right hand side of the report:

Year to Date Actual.
Year to Date Budget.
Variance.
PCT Variance.

Month Actual and Year to Date Actual display your Actual financial performance for those periods.

Month Budget and Year to Date Budget for those periods.

Variance is determined by your Budget minus your Actual performance. (A dash indicated our actual performance was below Budget.)

PCT Variance is determined by your Budget minus your Actual performance divided by your Budget. (A dash indicated our actual performance was below Budget.)

The Budget report calculates the Budget Variance and the Variance PCT for you. You will not have to calculate these figures. But, we will use them for our analysis.

EXAMPLE OF THE HEADINGS OF A BUDGET VARIANCE REPORT

```
*CLM            MCCS          ************************************************************************************************************************   Wed   Jan 12,   20XX          8:03  AM  *
*                                                                                                                                                                             *
*                                                         BUDGET VARIANCE P&L                                                                                                 *
*                                                         COST CENTER LEVEL                                                                                                   *
*                                                         PERIOD ENDING Nov 30, 20XX                                                                                          *
*                                         (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MCCS_PL    )                                                                             *
************************************************************************************************************************************************************************  Page  1  *

                                         CCTR    5812            BOWLING CTR (>12 LANES)

  MONTH          MONTH                         PCT                                                YEAR TO DATE     YEAR TO DATE                      PCT
  ACTUAL         BUDGET         VARIANCE       VAR                                                   ACTUAL           BUDGET          VARIANCE         VAR
---------------------  ---------------------  ---------------------  ------------                        ------------------------  ------------------------  ------------------------  --------------
     2,978.04       3,500.00        -521.96      14.91    6306  Utilities                                35,018.38        35,000.00           18.38        0.05
```

Step 6 Identify how well your operation is performing in regard to Year To Date Net Profit or Loss on the Budget Variance P&L Statement.

- Is your Program/cost center making money?

- You will be studying all the sales and income/revenue accounts from which you will then explore all the accounts that reduce net profit; the expense accounts.

- The result of this operation is your net profit or loss.

  - **The formula for Net Profit is:**

    - **Income/sales/revenue minus expenses equals net profit, or loss if expenses are higher than the income.**

☐ Record your work on the Financial Analysis Work Sheet. (Make a copy of the form following page 5.4.72.)

☐ In the center column of the **"Budget Variance P&L Statement"** find the account **"Net Profit"** (Loss is displayed with a"**-**" after the number (e.g., 100.50 **-**) on the statement. **"Net Profit"** is the last account listed on the statement.

☐ Under the heading **"YEAR TO DATE"** (located to the right of the account names). Note and transcribe the dollar figures of the **Net Profit/Loss VARIANCE** and **PCT VAR** to columns **"A"** and **"B"** on your work sheet. In our sample worksheet located at the end of the module, we recorded **1,316.00-** in column **"A"** and recorded **6.40-** in column **"B"**. This was the **Net Profit Variance** and **PCT Variance** for **Year to Date**.

Step 7 Decide whether the variance percentage in column **"B"** of the Financial Analysis Work Sheet is...,

- Favorable **(F)**.
- Unfavorable **(U)**.
- No Variance **(N)**.

☐ Record your observation(s) in column **"C"** of the work sheets.

IF THE ACCOUNT IS:	AND THE VARIANCE PERCENTAGE IS:	THEN MARK COLUMN "C" AS:
An Income Account (Accounts for sales, income, revenue). **OR** Gross/Net Profits.	More than 10% above Budget.	Favorable **(F)**.
	Between 10% above and 10% below Budget.	No Variance **(N)**.
	More than 10% below Budget.	Unfavorable **(U)**.
An Expense Account (Accounts for payroll, assessments, direct, other expenses). **OR** Cost of Goods/Net Loss.	More than 10% above Budget.	Unfavorable **(U)**.
	Between 10% above and 10% below Budget.	No Variance **(N)**.
	More than 10% below Budget.	Favorable **(F)**.

NOTE: It is too much work for you to analyze every variance. We decided to use 10% as the variance percentage "Red Light" that let's you know that you need to do further analysis. You may need to use a different percentage based on your business or local guidance.

Step 8 Determine if your actual Year to Date Net Profit or Loss trend is better or worse than prior year's YTD Net Profit or Loss trend.

For this step we will use the DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL financial statement of the monthly AXS-ONE report. (See example at the end of this task.)

- The DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL financial statement of the monthly AXS-ONE report is headed with the Program Name and cost center Title and Identifier Number (same as the Budget Variance report).

- The Title with Identifier Number (e.g., Bowling Center, 5812) is found on the AXS-ONE Statement in the center of the page above the account names.

- The Accounts/account categories and the explanations for the Detail Profit & Loss Statement is the same as the Budget Variance Report (see Step 5).

- The column headings and information displayed is different than the Budget Variance report. We will explain the differences.

EXPLANATION OF THE HEADINGS OF A DETAIL P&L STATEMENT

NOTE: As you read the explanation of the Budget Variance Report take out the corresponding page of the Financial Statement to follow along.

The Detail P&L Statement shows the following headings:

In the center of the statement are the account titles.

On the left hand side of the account titles are the:

Monthly Actual.
Monthly PCT.
Monthly Prior Year.
Monthly PCT.

On the right hand side of the account titles are the:

Year to Date Actual.
Year to Date PCT.
Year to Date Prior Year.
Year to Date PCT.

Month Actual and Year to Date Actual columns display your Actual financial performance for those periods.

Monthly Prior Year and Year to Year Prior Year display your Actual financial performance for those periods.

Monthly PCT and Prior Year PCT are shown as a percent of Net Sales (Account divided by Net Sales).

The Detail P&L Statement only displays this information and does not perform any comparisons for current and prior year periods. You will have to make these comparisons.

Locate these columns now. If you have any problems locating these, please ask the CFO or a colleague for help.

EXAMPLE OF THE HEADINGS OF A DETAIL P&L STATEMENT

```
*CLM           MCCS          **************************************************************************************  Wed   Jan 12,   20XX          8:03  AM  *
*                                                                                                                                        *
*                                              DETAIL PROFIT & LOSS STATEMENT                                                            *
*                                           RECREATION  :  DIRECT & INDIRECT BY ORG                                                      *
*                                              PERIOD ENDING Nov 30, 20XX                                                                *
*                                    (RP-STDP&L14_STD01  CD-P&L_01    AC-MCCS_PL    )                                                    *
****************************************************************************************************************************  Page  1  *

                                   CCTR     5812          BOWLING CTR (>12 LANES)

                 ------M O N T H L Y------                                                      ------Y E A R  T O  D A T E------
     ACTUAL          PCT      PRIOR YEAR      PCT                                  ACTUAL          PCT        PRIOR YEAR          PCT
  -------------------------   --------------   --------------------------   ------------           ------------------------   ---------------   -------------------------   --------------
```

Step 8 (cont.)

- Find the **Year To Date Actual** and **Prior Year Net Profit**. They are located on the right side of the statement. **Net Profit** is the last account listed on the statement.

- You will use the decision table on this page to make a mental comparison/calculation and determine whether the actual YTD compares Favorably/Unfavorably to prior YTD.

- This historical comparison results in an “awareness” that is useful in briefing and explaining any variances from budget in this year’s financial performance.

☐ Compare actual YTD to prior YTD.

☐ Using the table below indicate in column **“D”** on the Financial Analysis with an up/down arrow, the actual **YTD Net Profit** (Loss is displayed with a dash after the number (e.g., 100.50 -) movement in comparison to prior **YTD Net Profit** or **Loss** movement.

IF YOUR ACTUAL YTD:	THEN MARK COLUMN “D” AS:
Profit/Income is greater than prior YTD.	Use the up arrow. (BETTER) ↑
Expense/Loss is less than prior YTD.	
Profit/Income is less than prior YTD.	Use the down arrow. (WORSE) ↓
Expense/Loss is greater than prior YTD.	

Step 9 Decide what action to take after you have analyzed the Program's Net Profit or Loss.

IF:	THEN:
Favorable (F) and Better (↑).	Congratulate, reinforce, and reward your staff.
No Variance (N).	**REINFORCE**..., tell your staff that the Program is performing as expected.
Unfavorable (U) or Worse (↓).	1. Annotate your work sheets and/or financial statement regarding areas requiring further examination. 2. Check with the MCCS Chief Financial Officer to ensure there are no administrative errors. (I.e., bills and income recorded to incorrect Cost Centers or Account Numbers, bills and income NOT picked up, etc.) 3. This account, Net Profit or Loss, is a result of income minus expenses. You need to analyze the individual income and expense accounts on the Profit & Loss Statement to identify causes of (U) or (W↓). Do further financial analysis. Continue on to Step 10. 4. After further research, record relevant information with applicable account titles on the "Comments" and "Conclusions" parts of the work sheet. 5. Prepare information for your expected brief.

Step 10 After completing the first row on the Financial Analysis Work Sheet for the Net Profit or Loss analysis, follow the same steps for the other departmental accounts on this same work sheet.

☐ Follow Steps 6-8 to:

- Note the Variance and Variance Percentage.
- Do the F/U/N analysis.
- Do the Better (↑) or Worse (↓) analysis.

☐ Do this for the following accounts/account categories:

- Net Sales. (4100 Accounts.)
- Gross Profit or Loss. (Cost of Sales, 5101 - 5602 Accounts).
- Total Payroll Expenses. (6101 - 6193 Accounts.) (Includes Total Other Employee Expenses.)
- Total Other Operating Expenses. (6701 - 6748 Accounts.)
- Total Operating Expenses. (6101 - 6753 Accounts.)
- Total Other Income & Commissions. (8101 - 8406 Accounts.)
- Other Deductions. (8501 - 8523 Accounts.)

Step 11 Decide what action to take after you have analyzed the “BUDGET VARIANCE P&L COST CENTER LEVEL and the DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL - Financial Analysis Work Sheet” for the following accounts.

- Net Sales. (4100 Accounts.)
- Gross Profit or Loss. (Cost of Sales, 5101 - 5602 Accounts.)
- Total Payroll Expenses. (6101 - 6193 Accounts.)
- Total Other Operating Expenses. (6701 - 6748 Accounts.)
- Total Operating Expenses. (6101 - 6753 Accounts.)
- Total Other Income & Commissions. (8101 - 8406 Accounts.)
- Other Deductions. (8501 - 8523 Accounts.)

IF:	THEN:
Favorable (F) and Better (↑).	Congratulate, reinforce, and reward your staff.
No Variance (N).	**REINFORCE**..., tell your staff that the Program is performing as expected.
Unfavorable (U) or Worse (↓).	1. Annotate your work sheets and/or financial statement regarding areas requiring further examination. 2. Check with the MCCS Chief Financial Officer to ensure there are no administrative errors. (I.e., bills and income recorded to incorrect Departments or Account Numbers, bills and income NOT picked up, etc.) 3. Follow the table in Step 12 to determine what actions to take for each account and record the step number, your findings and possible actions in Column “E”. 4. After further research, record relevant information with applicable account titles on the “Comments” and “Conclusions” parts of the work sheet. 5. Prepare information for your expected brief.

Step 12 Use the following table to locate possible solutions for any account that you have determined Unfavorable **(U)** and/or Worse (↓).

IF THE CATEGORY/ACCOUNT IS:	THEN GO TO:
Profit or Loss.	Step 13.
Net Sales.	Step 14.
Gross Profit.	Step 15.
Total Payroll Expenses.	Step 16.
Total Other Operating Expense.	Step 17.
Total Operating Expense.	Step 18.
Total Other Income & Commissions.	Step 19.
Other Deductions.	Step 20.

Step 13 Consider the items in the checklist below as ways to improve Net Profit Profitability.

> **NOTE:** The following checklist items are being viewed in regard to profitability only.
>
> Completing Steps 14 through 20 below will also improve profitability.

☐ Look for other sources of income that are applicable to your Program. (Look at these as ways to increase profitability.)

- Amusement Machines.
- Concessions.
- Sponsorship.
- Dues.
- Lessons.
- Branded concepts. (Franchise-like.)
- Commissions.
- Service Charges.
- Recycling Income Only.
- Memberships.
- Pro Shop items.
- Cover charges.
- Contract for value-added services relevant to the Program, activity, or event. (I.e., flower vendor, caricaturist, photographer, entertainment, etc.)
- Co-location and/or partnering with other MCCS Businesses/Programs and the Exchange. (E.g., kiosks, ITT sales booths, etc.)

☐ Look for ways to reduce the expense elements of your Program.

- Days of operation.
- Low usage services.
- Overall budget.
- Use of volunteers.
- Use of APF.
- Correct staffing mix FT, PT, and FLEX.
- Marketing plan objectives (Program goals).
- Hours of operation.
- High cost services.
- Individual department budgets.
- Use of interns.
- Use of active duty.
- Competitive-sourcing.

☐ Network! Contact your MCCS Director, MR Division Program Counterparts, MCCS and Exchange colleagues, staff, and professional organizations.

☐ Brainstorm, “ideate”, problem solve, then develop a plan of action to improve profitability.

Step 14 Examine each account that combines into Net Sales.

Analyze each account to identify possible cause(s) for:

- Unfavorable trends in sales by an Activity, Event, Product, or Service.
- Unfavorable trends in sales by period/time--hour, shift, day of the week.
- Unfavorable trend in sales by customer--count, amount spent.

Consider the items in the checklist below as ways to improve Sales.

☐ Systematically assess your competition to discover what the competitor does that draws your customer/patron from your Program to theirs.

☐ Systematically assess customers'/patrons' need and wants through focus groups, comment cards, individual interviews, brief surveys, and review of MCCS-wide and locally collected data. (Use data from the MCCS Customer Surveys. See Duty 1.0 - ASSESS NEEDS.)

☐ Develop effective, interesting, and varying programs (themes, activities, special events, etc.). (See Task 3.5, Prepare and Detailed Maintain Activity/Event Plans.)

☐ Look at each of your existing and recurring programs to identify ways to make the Program:

  - Different (adds a new twist).
  - Better (more interesting, informational, developmental, educational, and FUN!).
  - Have more perceived value.
  - Involve more staff (both numbers and commitments).
  - Have more or different customer/patron involvement.

Step 14 (cont.)

☐ Develop effective promotions and advertising. (See Duty 10.0, PROMOTE YOUR MCCS PROGRAM.)

- Use of local area media for publicity.

☐ Improve appearance and image of facility, Program environment and staff.

☐ Look for other sources of sales.

- Branded concepts. (Franchise-like.)
- Cover charges.
- Contract for value-added services relevant to the Program, event. (I.e., flower vendor, caricaturist, photographer, entertainment, etc.)
- Co-location and/or partnering with other MCCS Businesses/Programs and the Exchange. (E.g., kiosks, ITT sales booths, etc.)

☐ Add/expand/change days/hours of operation.

☐ Strategize, develop and implement ways to increase how much each customer/patron spends.

☐ Strategize, develop and implement customer/patron perceived, VALUE ORIENTED, fees, prices, and charges. (See Task 5.5, Evaluate Fees, Prices, and Charges.)

- Pricing is an ART (perceived values, etc.) as well as a SCIENCE (break-even analysis, etc.).

☐ Strategize, develop and implement ways to increase customers/patrons.

- Frequency of use.
- Bringing others to our businesses/Programs.
- New customers/patrons.
- Expanding the eligible customer/patron base.
- Reaching new markets/demographics (age groups, single/married, family groups, retirees, ethnic groups, special interest groups, contractors, DoD civilians, etc.).

Step 14 (cont.)

☐ Use industry professionals, vendors, and the Exchange Specialists for assistance and ideas for retail operations: (See Task 10.10 Ensure Merchandising Effectiveness).

- Best use of shelf/floor space.
- Effective environment/decor/music, etc.
- Automation.
- Product/services sales and promotions training.
- Sales methods and techniques training.
- Product mixes.
- Product display.
- Pricing.

☐ Strategize, develop and implement ways to ensure customer/patron loyalty and satisfaction is maximized!

- World Class Service (Exceptional customer/patron care).
- Quality of products that customers/patrons want.
- Quality of services that customers/patrons want.
- Professional staff.
- Attractive and well maintained facilities.
- Attractive, clean, up-to-date, well maintained equipment.
- User friendly systems.
- Effective signage.
- Value as perceived by the customer/patron, NOT by management.
- Effective and visible customer/patron feedback systems.

☐ Network! Contact your MCCS Director, MR Division Program Counterparts, MCCS and Exchange colleagues, staff, and professional organizations.

☐ Brainstorm, "ideate", problem solve, then develop a plan of action to improve sales.

Step 15 Examine each account that makes up Gross Profit.

The formula for Gross Profit is:
Sales minus Cost Of Sales/Goods(COG) = Gross Profit

Analyze each account to identify possible cause(s) for unfavorable trend in Sales (See Step 14) or Cost of Sales/Goods.

- Unfavorable trends in Cost of Sales/Goods caused by administrative problems.
- Unfavorable trend in Cost of Sales caused by operational problems.

Consider the items in the checklist below as ways to improve the Gross Profit.

ADMINISTRATIVE AREAS.

☐ Ensure system exists for daily/weekly documentation of COGS whether actual or estimated.

☐ Ensure existence of standard operating procedures (SOP's) for all elements affecting critical daily operations. (Internal controls, record keeping, inventory control, separation of functions, money handling, customer/patron complaints, etc.) Ensure these SOP's are:

- Easily accessed by entire staff.
- Reviewed and updated annually.
- Developed with staff input.
- Recurring review by staff required and documented.

☐ Ensure prices paid for products and services are competitive with regard to value - CHEAP is often just cheap, NOT better or more economical.

- Solicit price quotes from at least three sources for purchases over $5000.
- Ensure purchases below $5000 are equivalent to fair market value.
- Take advantage of AFNAFPO, Exchange, government sources (GSA), contracts and prime vendor processes. (Remember... Quality!)
- Take advantage of the buying power in collective purchasing with your like-business area colleagues. (E.g., golf, bowling, child care, youth, recreation equipment, etc.)

Step 15 (cont.)

☐ Ensure you know your TOTAL cost before calculating and setting fees, prices, and charges. Your total costs include:

- Actual cost of item, ingredient, material, product, etc.
- Freight charges.
- Packaging/shipping and handling charges.
- Yield from a raw product.
- Production methods that cause waste/loss of product total costs DO NOT include labor.
- Update costs whenever basic input figures change at least 10%. Review and Adjust fees, prices, and charges at least semi-annually.
- Impact of "mark-downs".

☐ Ensure your SOP's explain how to "mark-down".

☐ Ensure price to the customer/patron is set high enough to achieve required standards.

OPERATIONAL AREAS.

☐ Minimize waste by controlling/ensuring:

- Storage areas.
- Receiving methods and policy.
- Preparation methods.
- Use of portion control tools and SOP's.
- Production through forecasting (usage/customer/patron counts, etc.).
- Access to supplies, equipment, products and materials.
- First products in - first products out (FIFO).

☐ Minimize loss by preventing/controlling:

- Staff and customer/patron theft.
- Accidental/intentional damage.
- Non-promotional giveaways.
- Shoplifting.
- Supplies, equipment, products, and materials through regularly scheduled and spot inventories.
- Sensitive/high cost/desired supplies, equipment, products, and materials through daily spot inventories or physical control(s).
- Undocumented movement of products within and between departments.

Step 15 (cont.)

☐ Ensure effective “Returns” policy from customers/patrons and to vendors.

☐ Ensure proper controls of cash and near cash through: (See Duty 5.0.)

- Separation of function.
- Proper use of cash registers.
- Control and use of cash bags.
- Surprise/unannounced cash counts.
- Using sales receipts for high cost items.
- Controls on ticket sales and staff purchases.
- Ensuring use of Daily Activity Records (DAR’s).
- Receipted returns.
- Use of over/under ring slips.
- Check cashing policy (including bad debts/checks).
- Credit/bank card policy.
- Collection of accounts receivable.
- Use of surveillance equipment.
- Use of mystery shoppers.

NOTE: Actual Gross Profit/COGS should remain stable (+/- 2% of goals and/or standards) from month-to-month.

Step 16 Examine each account that combines into Total Payroll and Total Other Employee Expenses.

Analyze each account to identify possible cause(s) for:

- Unfavorable trends in payroll from Staffing benchmarks/guide, ratio, T/O, mix or pay level.
- Unfavorable trends in payroll from scheduling and overtime.
- Unfavorable trend in payroll from payroll related expenses.

Consider items in the checklist below as ways to improve Payroll and other employee Expenses.

☐ Ensure your Program is organized to minimize payroll expenses and still provide quality, skilled, knowledgeable staff to accomplish the Program mission, goals, objectives, and responsibilities.

☐ Ensure you have up-to-date position descriptions.

☐ Ensure you have a staffing benchmark--a way to determine what staffing (position levels and numbers) is required to handle the workload as specified by:

- Table of Organization (T/O).
- Regulation/law.
- Industry standards, MCCS Measures of Effectiveness.
- Guidance from MR Program Counterparts.
- Historical perspectives (what staff mix works and what doesn't).

☐ Ensure that you staff within budget (standards or other local criteria).

- Calculate cost of the work schedule for the work period.
- Minimize payroll Expenses by:
  - Using minimum staff numbers relative to the scope of work.
  - Balancing number of staff to ensure customer/patron needs are met without "burning out" staff members.
  - Adjusting staff numbers relative to work fluctuations (i.e., seasonal demands, daily/hourly demands, etc.).

Step 16 (cont.)

- Minimizing overtime.
- Scheduling to avoid/minimize payment of premiums/differentials.
- Cross-training staff.
- Ensuring all staff members are fully trained and qualified.
- Using automation and state-of-the-art equipment and tools.
- Using incentive programs.
- Developing competent, problem-solving, positive, enthusiastic, empowered supervisors.
- Developing continuous process improvement methods to evaluate worth of products and services and simplification of procedures.
- Eliminating unnecessary staff/supervisory layers.
- Eliminating unnecessary duplication of work.

- Review billet composition and standards to ensure it is efficient, legal, cost (cont.) effective and authorized through the use of:

  - APF billets.
  - Interns.
  - Volunteers.
  - Active duty personnel.
  - Flexible employees.
  - Part-time employees.
  - Full-time employees.

- Have you allocated the payroll expenses to the appropriate working area, (Overhead or one of the operating departments)?

- Get briefing from Payroll Office on possible causes and solutions.

- Are the employee benefit costs downloaded correctly?

Present rates are as follows:

- Medical/Dental premiums are a flat rate based on plan and coverage level. The rates are available on the MCCS website.

Step 16 (cont.)

- Employer contribution to active 401K is:

Employee	Employer
1%	1%
2%	2%
3%	3%
4%	3.5%
5%	4%

- Plus additional 1% employer contribution if the participant is in both the 401K AND pension plan.

- The rate for STANDARD life insurance is dependent on volume and is a flat rate based on volume of coverage in force. The premium for OPT 1, and OPT 2 Life is based on volume and age. The premium for Dep 1 and Dep 2 are each flat amounts, regardless of how many dependents a participant may have.

Check on the current rates with your MCCS Financial Office.

NOTE: Duty 6.0 details staff management, balance, reward, use, discipline, etc.

Step 17 Examine each account that combines into Total Other Operating Expenses. Analyze each account to identify possible cause(s) for:

- Unfavorable trends in Total Other Operating Expenses caused by administrative problems.
- Unfavorable trend in Total Other Operating Expenses caused by operational problems.

Consider the items in the checklist below as ways to improve Total Other Operating Expenses.

OPERATIONAL AREA.

☐ Ensure your Program supplies/printing and reproduction/laundry are used for the purpose intended.

  - Use only the quantity of supplies/printing and reproduction/laundry needed for the job, shift, period, etc.
  - Use proper mixtures/amounts.
  - Use correct supply/laundry for the job.

☐ Ensure your Program supplies/printing and reproduction/laundry are being controlled to prevent waste, loss, theft, etc.

☐ Ensure staff is trained and frequently reminded to use supplies/laundry conservatively.

ADMINISTRATIVE AREAS.

☐ Use APF where authorized.

☐ Contact appropriate personnel to determine causes and possible solutions.

☐ Develop a plan of action to accommodate these cost overruns.

Step 17 (cont.)

☐ Ensure you attain at least "break-even" on all advertising and promotional efforts.

☐ Ensure you attain at least "break-even" on all awards/prizes.

☐ Ensure you attain at least "break-even" on all tournaments and entertainment through systematic evaluation.

☐ Ask the MCCS Chief Financial Officer to explain all entries in the "Intra MCCS Expense" account line.

NOTE:	Account 6724 Intra MCCS Expense account is used to account for the transfer of goods or services within MCCS.

Step 18 Examine each account element that combines into the Total Operating Expense Account (do not duplicate accounts analyzed in Steps 13 - 17) to determine if the element is performing as expected with regard to your budget papers.

- Travel & Transportation.
- Assessments.
- Property & Facilities.
- Utilities & Communications.
- Insurance.

☐ Flag the accounts that are NOT performing as expected.

☐ Verify with Base Maintenance what areas, services, and costs are included in the utility charges. Explore alternatives to conserve energy.

☐ Use APF where authorized.

☐ Review and justify monthly phone and postage expenses.

☐ Contact appropriate personnel to determine causes and possible solutions.

☐ Develop a plan of action to accommodate these cost overruns.

☐ Use preventive maintenance schedules and procedures on facilities and equipment.

☐ Ensure there are no administrative errors. (I.e., expenses recorded to incorrect cost centers or Account Numbers, expenses NOT picked up, etc.)

☐ Are billing procedures working?

☐ Were initial budget figures realistic?

Step 18 (cont.)

☐ Have there been budget changes? (I.e., more than expected purchases/ contracts, repairs, training, depreciation, Insurance, assessments, etc.)

☐ Develop a plan of action to accommodate this revenue shortfall.

☐ Network! Contact your MCCS Director, MR Program Counterparts and your MCCS colleagues.

☐ Other? ____

Step 19 Examine each account element that combines into the Total Other Income and Commissions Account (do not duplicate accounts analyzed in Steps 13 - 18) to determine if the element is performing as expected with regard to your budget papers.

☐ Look for other additional sources of income that are applicable to your Program. (Look at these as ways to increase recreation program fees and charges.)

- Commissions.
- Service Charges.
- Salvage/Recycling Income.
- Reimbursement for NAF Services.
- Concessions.
- Sponsorship.
- Dues.
- Lessons.

☐ Ask the MCCS Chief Financial Officer to brief you on all OTHER entries that are NORMALLY accounting adjustments. (Verify at cost center level.)

- prior period.
- extraordinary.
- gain/loss on disposition of assets.
- miscellaneous.
- disposals, etc.

NOTE: Balance Sheet adjustments must be approved by HQ (MRF).

☐ Compare cash overages and cash shortages..., these should remain relatively in balance.

Step 20 Examine each account element that combines into the Other Deductions Account (do not duplicate accounts analyzed in Steps 13 - 19) to determine if the element is performing as expected with regard to your budget papers.

☐ Ask the MCCS Chief Financial Officer to brief you on all entries that are NORMALLY accounting adjustments. (Verify at cost center level.)

- write offs.
- loss/gain.
- miscellaneous.
- disposals, etc.

NOTE: Performing all the preceding steps in this task have enabled you to identify possible financial problems within your Program, explore some of the possible causes of the problems and study some of the suggested solutions.

By completing the remaining steps in the task, you will:

- Review and summarize all the notes, conclusions and information noted during your work sheet analysis.
- Propose and implement management actions to improve your operational, administrative, or fiscal areas.
- Develop a plan of action and milestones (POA&M) to systematically improve these problem areas.

The problem solving, planning, accountability model that follows in this section can be used for ALL performance problems, not just those related to financial performance.

MANAGEMENT PLAN OF ACTION & MILESTONES (POA&M)

Step 21 Record the proposed actions that you identified during the analysis of the BUDGET VARIANCE P&L COST CENTER LEVEL and the DETAIL PROFIT & LOSS STATEMENT COST CENTER LEVEL.

☐ Review all recorded notes in the “Comment” areas on all work sheets.

☐ Review all information recorded in the “Conclusions” area on all work sheets.

☐ Record all your proposed actions. (From worksheet.)

____

____

____

Step 22 Assess the impact and magnitude of the proposed action(s).

☐ Will your proposed management action:

- Require significant expense for renovation, new equipment.

  ____

  ____

- Result in one or more adverse personnel actions.

  ____

  ____

- Disrupt or improve operations.

  ____

  ____

- Increase or decrease patronage.

  ____

  ____

Step 22 (cont.)

- Increase or reduce services and/or products.

  ____

  ____

- Meet customer/patron needs.

  ____

  ____

- Be supported by the MCCS Director/Command.

  ____

  ____

- Have greater benefit or worth than customer/patron opposition.

  ____

  ____

- Increase or decrease maintenance/utilities expenses.

  ____

  ____

- Increase or decrease budget/resources/supplies/labor expenses.

  ____

  ____

- Other:

  ____

  ____

Step 23 Determine opposition to each proposed action and develop strategies to overcome the opposition.

☐ Who will oppose the action?

- CO/XO?
- Your immediate supervisor, other MCCS Program Managers, or the MCCS Director?
- Base Sergeant Major/Senior Enlisted Personnel?
- Boards/Councils?
- Customers/Patrons? Demographic segments? (Women/men, age, retired/active duty, members, etc.)
- Staff--In house opposition?
- Community.

☐ How broad-based is this opposition? (Write this down.)

____

____

☐ What will be their opposition? (Write this down.)

____

____

☐ What are the alternatives? (Write this down.)

____

____

☐ What strategies will overcome opposition? (Write this down.)

____

____

☐ Implement the strategies.

Step 24 Develop POA&M for completing each selected action. (See Tasks 3.2 and 3.3.)

☐ Date of POA&M.
☐ Name of the MCCS Program/Office or author.
☐ Purpose/problem statement with a desired outcome.
☐ What has to be done, including subordinate tasks/steps?
☐ Resources requirements.
☐ Supplies requirements.
☐ Procurement/contracting requirements.
☐ People assigned to accomplish various tasks/steps are due.
☐ Sequential and/or critical path (multi-tasking) order of activities.
☐ When are critical path tasks/steps are due? (Project/Task/Step prerequisites?)
☐ What are the milestones? When are the various tasks/steps due?
☐ What measures of effectiveness (MOE)/standards MUST be met?
☐ How will progress and success be evaluated?

Write this plan out!

Step 25 Obtain input, buy-in, approval from the following, as appropriate:

☐ Your immediate supervisor, other Program Managers, and the MCCS Director.
☐ Base Sergeant Major.
☐ Senior Enlisted Personnel.
☐ Customers/patrons, members, etc.
☐ Appropriate advisory boards/councils.
☐ Commanding Officer (if needed).
☐ Opinion leaders on your base.
☐ Your staff.
☐ Community

Step 26 Implement plan(s) of action.

☐ Keep customers/patrons/staff members apprised of actions taken.

☐ Brief Command, Base Sergeant Major, senior enlisted personnel, vested MCCS senior managers, and appropriate Command advisory boards/councils, and special interest groups.

Step 27 Monitor progress of management action(s).

☐ Set up informal communication with support staff and your key staff members.

☐ Schedule status meetings with support staff and your key staff members.

☐ Review and monitor financial reports.

☐ Monitor customer/patron usage figures and comments.

☐ Analyze advisory board/council comments.

Step 28 Evaluate management actions. (See Duty 11.0, EVALUATE MCCS PROGRAMS/ACTIVITIES/EVENTS.)

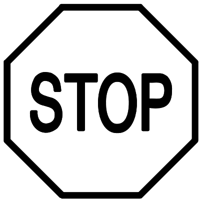
☐ Compare accomplishments and milestones with POA&M.

☐ Identify and resolve discrepancies between the POA&M and actual accomplishments.

☐ Compare your current financial results and expectations with the financial condition(s) that caused you to take this/these management action(s).

NOTE: As much as 30 days may pass before you see results.

THANK EVERYONE!
(Especially when your financials look great.)



Congratulations! You've completed this task.

```
*CLM          MCCS           *************************************************************************************   Wed   Jan 12,   20XX          8:03  AM *
*                                                                                                                                     *
*                                                        BUDGET VARIANCE P&L                                                          *
*                                                        COST CENTER LEVEL                                                            *
*                                                     PERIOD ENDING Nov 30, 20XX                                                      *
*                                       (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MWR_PL    )                                         *
*******************************************************************************************************************************  Page  1 *

                                        CCTR     5812            BOWLING CTR (>12 LANES)

   MONTH         MONTH                        PCT                                          YEAR TO DATE   YEAR TO DATE                      PCT
   ACTUAL        BUDGET        VARIANCE       VAR                                             ACTUAL         BUDGET          VARIANCE        VAR
-----------   -----------   -----------   ---------                                        ------------   ------------   ------------   ---------
                                                     SALES

   25,842.50     28,000.00     2,157.50-       7.71   4101  GROSS SALES                       251,635.79     232,700.00      18,935.79       8.14
      45.60-          0.00        45.60-     100.00   4103  RETURNED SALES                        478.25-          0.00         478.25-    100.00
       70.00          0.00         70.00     100.00   4124  INTRA MWR SALES                     10,160.26           0.00      10,160.26     100.00
-----------   -----------   -----------   ---------                                        ------------   ------------   ------------   ---------
   25,866.90     28,000.00     2,133.10-       7.62         NET SALES                         261,317.80     232,700.00      28,617.80      12.30

                                                     COST OF SALES
-----------   -----------   -----------   ---------                                        ------------   ------------   ------------   ---------
   25,866.90     28,000.00     2,133.10-       7.62         GROSS PROFIT                      261,317.80     232,700.00      28,617.80      12.30

                                                     OPERATING EXPENSES

                                                     PAYROLL EXPENSES

   14,842.42     14,000.00        842.42       6.02   6101  SALARIES AND WAGES                141,076.97     144,160.00       3,083.03-      2.14-
    1,182.25          0.00      1,182.25     100.00   6102  FICA TAX                           11,540.51           0.00      11,540.51     100.00
    1,208.32          0.00      1,208.32     100.00   6103  ANNUAL LEAVE                       10,690.40           0.00      10,690.40     100.00
      168.28          0.00        168.28     100.00   6104  SICK LEAVE                          2,167.63           0.00       2,167.63     100.00
       16.80          0.00         16.80     100.00   6139  OVERTIME                            1,263.45           0.00       1,263.45     100.00
      218.95          0.00        218.95     100.00   6140  TRAIN SAL/WAGE-JOB REL              2,153.77           0.00       2,153.77     100.00
        0.00          0.00          0.00       0.00   6141  TRAIN SAL/WAGE-SPEC                   253.62           0.00         253.62     100.00
-----------   -----------   -----------   ---------                                        ------------   ------------   ------------   ---------
   17,637.02     14,000.00      3,637.02      25.98         TOTAL PAYROLL EXPENSES            169,146.35     144,160.00      24,986.35      17.33

                                                     OTHER EMPLOYEE EXPENSES

      241.52        175.74         65.78      37.43   6202  401K EMPLOYER SHARE                 2,160.11       1,678.04         482.07      28.73
      502.76        543.91         41.15-      7.57   6203  GROUP BENEFITS                      7,488.71       5,627.79       1,860.92      33.07
        0.00          0.00          0.00       0.00   6209  EMP INCENTIVE/SER AWARDS              950.00       1,700.00         750.00-     44.12-
        0.00          0.00          0.00       0.00   6218  EMPLOYEE UNIFORMS                   2,367.74         200.00       2,167.74     ***.**
-----------   -----------   -----------   ---------                                        ------------   ------------   ------------   ---------
      744.28        719.65         24.63       3.42         TOTAL OTHER EMPLOYEE EXPENSES      12,966.56       9,205.83       3,760.73      40.85
```

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*CLM            MCCS          ************************************************************************  Wed   Jan 12,   20XX          8:03  AM *
*                                                                                                                                         *
*                                                        BUDGET VARIANCE P&L                                                              *
*                                                         COST CENTER LEVEL                                                               *
*                                                     PERIOD ENDING Nov 30, 20XX                                                          *
*                                      (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MWR_PL    )                                              *
************************************************************************************************************************************ Page  2 *

                                              CCTR     5812             BOWLING CTR (>12 LANES)

    MONTH          MONTH                       PCT                                                YEAR TO DATE    YEAR TO DATE                       PCT
   ACTUAL         BUDGET        VARIANCE       VAR                                                   ACTUAL          BUDGET         VARIANCE         VAR
-------------  -------------  -------------  --------                                            ------------    ------------    ------------    --------
                                                      TRAVEL & TRANSPORTATION

        0.00           0.00           0.00      0.00  6261  EMP REIMB TRAVEL/TRANS                   1,405.82            0.00        1,405.82      100.00
-------------  -------------  -------------  --------                                            ------------    ------------    ------------    --------
        0.00           0.00           0.00      0.00        TOTAL TRAVEL & TRANSPORTATION            1,405.82            0.00        1,405.82      100.00

                                                      HEADQUARTERS TRAINING

                                                      ASSESSMENTS

      257.97         280.00         22.03-      7.87  6271  OPERATING FUND ASSESSMENT                2,511.58        2,327.00          184.58        7.93
      644.92         700.00         55.08-      7.87  6272  CCF ASSESSMENT                           6,278.94        5,817.50          461.44        7.93
-------------  -------------  -------------  --------                                            ------------    ------------    ------------    --------
      902.89         980.00         77.11-      7.87        TOTAL ASSESSMENT                         8,790.52        8,144.50          646.02        7.93

                                                      UTILITIES & COMMUNICATIONS

    2,978.04       3,500.00        521.96-     14.91  6306  UTILITIES                               35,018.38       35,000.00           18.38        0.05
-------------  -------------  -------------  --------                                            ------------    ------------    ------------    --------
    2,978.04       3,500.00        521.96-     14.91        TOTAL UTILITIES & COMMUNICATIONS        35,018.38       35,000.00           18.38        0.05

                                                      PROPERTY & FACILITIES

       39.95         200.00        160.05-     80.03  6403  RENEWALS/REPL/MINOR EQ-G&                7,655.23        9,850.00       2,194.77-      22.28-
      250.00         250.00           0.00      0.00  6405  MAINTENANCE CONTRACTS                    7,745.00        8,500.00         755.00-       8.88-
      220.71         600.00        379.29-     63.22  6406  DEPR EXPENSE-PROP & EQUIP                4,456.83        6,000.00       1,543.17-      25.72-
      193.64         250.00         56.36-     22.54  6408  DEPRECIATION ALT/IMPRO                   2,078.98        2,500.00         421.02-      16.84-
    2,620.85         250.00       2,370.85    948.34  6410  REPAIR & MAINTENANCE                     7,984.26        2,500.00        5,484.26      219.37
-------------  -------------  -------------  --------                                            ------------    ------------    ------------    --------
    3,325.15       1,550.00       1,775.15    114.53        TOTAL PROPERTY & FACILITIES             29,920.30       29,350.00          570.30        1.94

                                                      MILITARY CLOTHING DPSC

                                                      INSURANCE EXPENSES

                                                      HEADQUARTERS INSURANCE EXPENSES
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*CLM          MCCS          ************************************************************************************************   Wed   Jan 12,   20XX          8:03  AM *
*                                                                                                                                             *
*                                              BUDGET VARIANCE P&L                                                                            *
*                                              COST CENTER LEVEL                                                                              *
*                                              PERIOD ENDING Nov 30, 20XX                                                                     *
*                                 (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MWR_PL    )                                                       *
*******************************************************************************************************************************  Page  3  *
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CCTR 5812 BOWLING CTR (>12 LANES)

MONTH ACTUAL	MONTH BUDGET	VARIANCE	PCT VAR		YEAR TO DATE ACTUAL	YEAR TO DATE BUDGET	VARIANCE	PCT VAR
				OTHER OPERATING EXPENSES				
0.00	0.00	0.00	0.00	6703 PRINTING & REPRODUCTION	25.00	300.00	275.00-	91.67-
1,140.46	1,500.00	359.54-	23.97	6709 SUPPLIES	12,606.93	15,00.00	2,393.07-	15.95-
5.10	0.00	5.10	100.00	6713 CASH OVER/SHORT	26.16	0.00	26.16	100.00
624.21	50.00	574.21	***.**	6715 ENTERTAINMENT	1,604.64	500.00	1,104.64	220.93
0.00	400.00	400.00-	100.00	6717 TOURNAMENTS	3,000.00	400.00	2,600.00	650.00
0.00	0.00	0.00	0.00	6719 ATHLETIC OFC & CLINICS	221.00	150.00	71.00	47.33
976.33	300.00	676.33	225.44	6721 AWARDS/PRIZES	9,088.02	6,000.00	3,088.02	51.47
0.00	250.00	250.00-	100.00	6724 INTRA MWR EXPENSE	473.45	2,500.00	2,026.55-	81.06-
0.00	0.00	0.00	0.00	6738 IN-KIND COMM SPONSORSHIP	0.00	2,600.00	2,600.00-	100.00-
0.00	500.00	500.00-	100.00	6741 SALES PROMOTION	122.00	5,000.00	4,878.00-	97.56-
0.00	0.00	0.00	0.00	6742 ADVERTISING	1,752.75	500.00	1,252.75	250.55
2,746.10	3,000.00	253.90-	8.46	TOTAL OTHER OPERATING EXPENSES	28,919.95	32,950.00	4,030.05-	12.23-
				USA REIMBURSABLES				
28,333.48	23,749.65	4,583.83	19.30	TOTAL OPERATING EXPENSES	286,167.88	258,810.33	27,357.55	10.57
2,466.58-	4,250.35	6,716.93-	158.03	GROSS OPERATING PROFIT	24,850.08-	26,110.33-	1,260.25	4.83-
				OTHER INCOME & COMMISSIONS				
				INTEREST INCOME				
				COMMISSIONS				
				OTHER INCOME				
0.00	0.00	0.00	0.00	8320 OTHER INCOME	24.00	0.00	24.00	100.00
0.00	0.00	0.00	0.00	8324 SOLICITED CORP SPSHIP INC	3,000.00	5,600.00	2,600.00-	46.43-
0.00	0.00	0.00	0.00	TOTAL OTHER INCOME	3,024.00	5,600.00	2,576.00-	46.00-
				OTH INCOME MIL CLOTHING DPSC				
0.00	0.00	0.00	0.00	TOTAL OTHER INCOME & COMMISSIONS	3,024.00	5,600.00	2,576.00-	46.00-
				OTHER DEDUCTIONS				
				EXTRAORDINARY INCOME/LOSS				
2,466.58-	4,250.35	6,716.93-	158.03	NET PROFIT	21,826.08-	20,510.33-	1,315.75-	6.42-

EXAMPLE OF THE HEADINGS OF A BUDGET VARIANCE REPORT

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*CLM            MCCS          ***************************************************************************************************************  Wed   Jan 12,   20XX          8:03  AM  *
*                                                                                                                                                                               *
*                                                           BUDGET VARIANCE P&L                                                                                                  *
*                                                           COST CENTER LEVEL                                                                                                    *
*                                                         PERIOD ENDING Nov 30, 20XX                                                                                             *
*                                               (RP-STDBUDO5_LD-PL_STBUD  CD-P&L_06    AC-MWR_PL    )                                                                            *
*******************************************************************************************************************************************************************  Page  1  *

                                          CCTR     5812              BOWLING CTR (>12 LANES)

   MONTH          MONTH                         PCT                                                YEAR TO DATE     YEAR TO DATE                      PCT
   ACTUAL         BUDGET        VARIANCE        VAR                                                  ACTUAL           BUDGET          VARIANCE         VAR
 ---------------------  ---------------------  ---------------------  ------------                  ------------------------  ------------------------  ------------------------  --------------
    2,978.04       3,500.00        521.96       14.91    6306  Utilities                         35,018.38        35,000.00            18.38         0.05
```

DETAIL PROFIT & LOSS STATEMENT

RECREATION : DIRECT & INDIRECT BY ORG

PERIOD ENDING Nov 30, 20XX

(RP-STDP&L14_STD01 CD-P&L_01 AC-MCCS_PL)

CCTR 5812 BOWLING CTR (>12 LANES)

------M O N T H L Y------						------Y E A R T O D A T E------			
ACTUAL	PCT	PRIOR YEAR	PCT			ACTUAL	PCT	PRIOR YEAR	PCT
					SALES				
25,842.50	99.91	22,397.22	80.12	4101	GROSS SALES	251,635.79	96.29	224,002.98	91.36
45.60-	0.18-	92.15-	0.33-	4103	RETURNED SALES	478.25-	0.18-	963.07-	0.39-
70.00	0.27	5,648.40	20.21	4124	INTRA MCCS SALES	10,1060.26	3.89	22,137.19	9.03
25,866.90	100.00	27,953.47	100.00		NET SALES	261,317.80	100.00	245,177.10	100.00
					COST OF SALES				
0.00	0.00	6.21	0.02	5101	GROSS PURCHASES	0.00	0.00	13.11	0.01
0.00	0.00	0.00	0.00	5105	VENDOR INVOICE ADJUSTMENT	0.00	0.00	31.92	0.01
0.00	0.00	6.21	0.02		TOTAL COST OF SALES	0.00	0.00	45.03	0.02
25,866.90	100.00	27,947.26	99.98		GROSS PROFIT	261,317.80	100.00	245,132.07	99.98
					OPERATING EXPENSES				
					PAYROLL EXPENSES				
14,842.42	57.38	13,183.99	47.16	6101	SALARIES AND WAGES	141,076.97	53.99	130,476.53	53.22
1,182.25	4.57	1,015.30	3.63	6102	FICA TAX	11,540.51	4.42	10,761.34	4.39
1,208.32	4.67	697.99	2.50	6103	ANNUAL LEAVE	10,690.40	4.09	9,127.34	3.72
168.28	0.65	254.15	0.91	6104	SICK LEAVE	2,167.63	0.83	2,200.06	0.90
16.80	0.06	4.53-	0.02-	6139	OVERTIME	1,263.45	0.48	558.40	0.23
218.95	0.85	0.00	0.00	6140	TRAIN SAL/WAGE-JOB REL	2,153.77	0.82	107.52	0.04
0.00	0.00	0.00	0.00	6141	TRAIN SAL/WAGE-SPEC	253.62	0.10	169.13	0.07
17,637.02	68.18	15,146.90	54.19		TOTAL PAYROLL EXPENSES	169,146.35	64.73	153,400.32	62.57
					OTHER EMPLOYEE EXPENSES				
241.52	0.93	166.35	0.62	6202	401K EMPLOYER SHARE	2,160.11	0.83	1,676.51	0.68
502.76	1.94	572.82	2.05	6203	GROUP BENEFITS	7,488.71	2. 87	5,020.55	2.05
0.00	0.00	8.05	0.03	6209	EMP INCENTIVE/SER AWARDS	950.00	0.36	1,008.05	0.41
0.00	0.00	0.00	0.00	6218	EMPLOYEE UNIFORMS	2,367.74	0.91	114.98	0.05
744.28	2.88	747.22	2.67		TOTAL OTHER EMPLOYEE EXPENSES	12,966.56	4.96	7,820.09	3.19
18,381.30	0.00	15,894.12	0.00		TOTAL PAYROLL AND OTHER EMPLOYEE EXPENSES	182,112.91	0.00	161,220.41	0.00
					TRAVEL & TRANSPORTATION				
0.00	0.00	0.00	0.00	6261	EMP REIMB TRAVEL/TRANS	1,405.82	0.54	25.00	0.01
0.00	0.00	0.00	0.00		TOTAL TRAVEL & TRANSPORTATION	1,405.82	0.54	25.00	0.01

DETAIL PROFIT & LOSS STATEMENT
RECREATION : DIRECT & INDIRECT BY ORG
PERIOD ENDING Nov 30, 20XX
(RP-STDP&L14_STD01 CD-P&L_01 AC-MCCS_PL)

CCTR 5812 BOWLING CTR (>12 LANES)

------M O N T H L Y------						------Y E A R T O D A T E------			
ACTUAL	PCT	PRIOR YEAR	PCT			ACTUAL	PCT	PRIOR YEAR	PCT
					ASSESSMENTS				
257.97	1.00	289.97	1.04	6271	OPERATING FUND ASSESSMENT	2,511.58	0.96	2,899.52	1.18
644.92	2.49	557.63	1.99	6272	CCF ASSESSMENT	6,278.94	2.40	5,576.00	2.27
902.89	3.49	847.60	3.03		TOTAL ASSESSMENT	8,790.52	3.36	8,475.52	3.46
					UTILITIES & COMMUNICATIONS				
2,978.04	11.51	3,887.14	13.91	6306	UTILITIES	35,018.38	13.40	36,954.12	15.07
2,978.04	11.51	3,887.14	13.91		TOTAL UTILITIES & COMMUNICATIONS	35,018.38	13.40	36,954.12	15.07
					PROPERTY & FACILITIES				
39.95	0.15	0.00	0.00	6403	RENEWALS/REPL/MINOR EQ-G&	7,655.23	2.93	2,105.52	0.86
250.00	0.97	250.00	0.89	6405	MAINTENANCE CONTRACTS	7,745.00	2.96	2,500.00	1.02
220.71	0.85	598.09	2.14	6406	DEPR EXPENSE-PROP & EQUIP	4,456.83	1.71	5,189.12	2.12
193.64	0.75	241.14	0.86	6408	DEPRECIATION ALT/IMPRO	2,078.98	0.80	2,277.82	0.93
2,620.85	10.13	0.00	0.00	6410	REPAIR & MAINTENANCE	7,984.26	3.06	2,666.28	1.09
3,325.15	12.85	1,089.23	3.90		TOTAL PROPERTY & FACILITIES	29,920.30	11.45	14,738.74	6.01
					OTHER OPERATING EXPENSES				
0.00	0.00	0.00	0.00	6703	PRINTING & REPRODUCTION	25.00	0.01	24.10	0.01
1,140.46	4.41	2,542.64-	9.10-	6709	SUPPLIES	12,606.93	4.82	11,389.94	4.65
0.00	0.00	0.00	0.00	6711	PUBS & SUBSCRIPTIONS	0.00	0.00	47.70	0.02
5.10	0.02	109.10-	0.39-	6713	CASH OVER/SHORT	26.16	0.01	57.75	0.02
624.21	2.41	12.09	0.04	6715	ENTERTAINMENT	1,604.65	0.61	614.27	0.25
0.00	0.00	0.00	0.00	6717	TOURNAMENTS	3,000.00	1.15	213.64	0.09
0.00	0.00	0.00	0.00	6719	ATHLETIC OFC & CLINICS	221.00	0.08	131.00	0.05
976.33	3.77	520.00	1.86	6721	AWARDS/PRIZES	9,088.02	3.48	12,940.48	5.28
0.00	0.00	4,934.40	17.65	6724	INTRA MCCS EXPENSE	473.45	0.18	7,301.23	2.98
0.00	0.00	0.00	0.00	6738	IN-KIND COMM SPONSORSHIP	0.00	0.00	2,169.72	0.89
0.00	0.00	270.20	0.97	6741	SALES PROMOTION	122.00	0.05	5,904.60	2.41
0.00	0.00	0.00	0.00	6742	ADVERTISING	1,752.75	0.67	742.68	0.30
2,746.10	10.62	3,084.95	11.04		TOTAL OTHER OPERATING EXPENSES	28,919.95	11.07	41,537.11	16.94
9,952.18	38.47	8,908.92	31.87		TOTAL OPERATING EXPENSES	104,054.97	39.82	101,730.49	41.49
28,333.48	109.54	24,803.04	88.73		TOTAL OPERATING & PAYROLL EXPENSES	286,167.88	109.51	262,950.90	107.25
2,466.58-	9.54-	3,144.22	11.25		GROSS OPERATING PROFIT	24,850.08-	9.51-	17,818.83-	7.27-

DETAIL PROFIT & LOSS STATEMENT
RECREATION : DIRECT & INDIRECT BY ORG
PERIOD ENDING Nov 30, 20XX
(RP-STDP&L14_STD01 CD-P&L_01 AC-MCCS_PL)

CCTR 5812 BOWLING CTR (>12 LANES)

------M O N T H L Y------					------Y E A R T O D A T E------			
ACTUAL	PCT	PRIOR YEAR	PCT		ACTUAL	PCT	PRIOR YEAR	PCT
				OTHER INCOME & COMMISSIONS				
				OTHER INCOME				
0.00	0.00	0.00	0.00	8320 OTHER INCOME	24.00	0.01	225.00	0.09
0.00	0.00	0.00	0.00	8324 SOLICITED CORP SPSHIP INC	3,000.00	1.15	6,269.72	2.56
0.00	0.00	0.00	0.00	TOTAL OTHER INCOME	3,024.00	1.16	6,494.72	2.56
0.00	0.00	0.00	0.00	TOTAL OTHER INCOME & COMMISSIONS	3,024.00	0.00	6,494.72	0.00
				OTHER DEDUCTIONS				
0.00	0.00	0.00	0.00	8503 LOSS/GAIN FIXED ASSET DSP	0.00	0.00	319.58-	0.13-
0.00	0.00	0.00	0.00	TOTAL OTHER DEDUCTIONS	0.00	0.00	319.58-	0.13-
2,466.58-	9.54-	3,144.22	11.25	NET PROFIT	21,826.08-	8.35-	11,004.53-	4.49-

FINANCIAL ANALYSIS WORK SHEET

Program/Cost Center Name: Bowling

ACCOUNTS	VARIANCE YTD / YTD Budget (A)	VARIANCE % YTD / YTD Budget (B)	TREND F/U/N (C)	TREND Cur YTD/ Last YTD ↑ ↓ (D)	Step (s)#____ Possible Actions To Consider (E)
Net Profit or Loss	1,316-	6.40-	N	↓	# 13 Look for other sources of income & reduce expenses
Comment:					
Net Sales	28,618	12.3	F	↑	# 11 congratulate, reinforce, & reward
Comment:	Sales up YTD & prior year				
Gross Profit	28,618	12.3	F	↑	No actions
Comment:	Same as sales	No cost of goods		(Program Sales)	
Total Payroll Expenses	24,986	17.3	U	↓	# 16 Budget error - why didn't we budget Payroll related expenses?
Comment:	Payroll up YTD & prior year. Good job on controlling salaries & wages.				
Total Other Operating Expenses	4,030-	12.2 -	F	↑	# 11 congratulate, reinforce, & reward
Comment:	A/P expenses ↑, Good job controlling supplies. Why no promotions & sponsorship expense?				
Total Operating Expenses	27,358	10.6	U	↓	# 18 problem in other areas (# 16, & 17)
Comment:	Expenses up YTD & prior year. Check payroll & other employee expenses areas				
Total Other Income and Commissions	2,576 -	46.-	U	↓	# 19 Focus efforts on getting more sponsors
Comment:	Sponsorship below budget & last year				
Other Deductions	—	—	—	—	
Comment:	Nothing this year & a negative figure prior year, check with Finance				

CONCLUSIONS:

Sales ↑, expenses too high & sponsorship down. Control/reduce expenses!!

SAMPLE

TREND INDICATORS: F=Favorable U=Unfavorable N=NO Variance ↑=Better ↓=Worse

FINANCIAL ANALYSIS WORK SHEET

Program/Cost Center Name: ____________________________

ACCOUNTS	VARIANCE YTD / YTD Budget (A)	VARIANCE % YTD / YTD Budget (B)	TREND F/U/N (C)	TREND Cur YTD/ Last YTD ↑ ↓ (D)	Step (s)#____ Possible Actions To Consider (E)
Net Profit or Loss					
Comment:					
Net Sales					
Comment:					
Gross Profit					
Comment:					
Total Payroll Expenses					
Comment:					
Total Other Operating Expenses					
Comment:					
Total Operating Expenses					
Comment:					
Total Other Income and Commissions					
Comment:					
Other Deductions					
Comment:					

CONCLUSIONS:

TREND INDICATORS: **F=Favorable** **U=Unfavorable** **N=NO Variance** **↑=Better** **↓=Worse**

USMC PERSONAL & FAMILY READINESS DIVISION
STANDARD CHART OF ACCOUNTS

ACCOUNT NUMBER	ACCOUNT DESCRIPTION
	CASH ON HAND
1101	UNDEPOSITED RECEIPTS
1102	CHANGE FUNDS, PERMANENT
1103	CHANGE FUNDS, TEMPORARY
1104	PETTY CASH
1105	PETTY CASH - FOREIGN
1106	CHANGE FUNDS, FOREIGN
	DEPOSITORY ACCOUNT
1111	DEPOSITORY ACCOUNT
1112	AXS-ONE A/P CENTRAL CHECKS
1114	REPURCHASE AGREEMENTS
1115	FOREIGN CURRENCY CHECKING
1116	SPECIAL CHECKING ACCOUNT
1118	HQ-CENTRAL P/R REVOLVING
1119	CONCENTRATION BANKING
	SAVINGS ACCOUNTS
1120	RESERVE FOR CAPITAL IMPROVEMENTS
1121	PASSBOOK SAVINGS
1122	CREDIT UNION SHARES
1123	FOREIGN CURRENCY
1124	LOCAL CHECKING ACCOUNT
1125	LOCAL CHECKING RECYCLING
1127	CONCENTRATED BANKING RECYCLING
1128	CASH - BANK ONE
	SHORT TERM INVESTMENTS
1131	CERTIFICATES OF DEPOSIT
1132	FEDERAL SECURITIES
1133	PREM/DISCOUNT SECURITIES
1134	FOREIGN CUR INVESTMENT
	ACCOUNTS RECEIVABLE
	GENERAL
1200	RECEIVABLE-BANK ONE
1201	CREDIT CARD RECV-VISA/MC
1202	CREDIT CARD RECV - DISCOVER
1203	CREDIT CARD RECV - GASOLINE
1204	MEMBERSHIP I
1205	LAYAWAY RECEIVABLE
1206	DEFERRED PMT CONTRACT
1207	GOVERNMENT ACTIVITIES
1208	MAIL ORDERS
1209	RETURNED CHECKS
1210	SECURITY DEPOSITS
1211	CLAIMS AGAINST VENDORS
1212	CLAIMS AGAINST CARR/POST
1213	CLAIMS AGAINST DPSC-ROD'S
1214	CLAIMS AGAINST DPSC-QDRS
1215	COUPONS
1216	FOOD STAMPS
1217	FOREIGN NATL PAYROLL OFFSET
1218	FOREIGN NATL RETIREMENT
1219	OTHER F/N ALLOWANCES
1220	AAFES PROFIT DISTRIBUTION
1221	OTHER GENERAL A/R
1222	APPROPRIATED FUNDS
1223	MEMBERSHIP II
1224	MEMBERSHIP III
1225	HOME LAYAWAY RECEIVABLE
1226	CREDIT CARD-AMX
1227	PARENT FEES
1228	FEES & CHARGES A/R I
1229	FEES & CHARGES A/R II
	ADVANCES/CLAIMS AGAINST EMPLOYEES
1231	ADV/CLAIMS AGAINST EMPLOYEES
1232	GROUP BENEFITS ARREARS
1235	TRAVEL ADVANCES
1237	RETIREMENT ARREARS
	FUNDS HELD IN TRUST
1241	HQ-CASH IN TRANSIT
1251	MILITARY STAR RECEIVABLE
1298	ALLOWANCE FOR DOUBTFUL ACCOUNTS
1299	USA PRACTICE
	INTRA MCCS SYSTEM
1301	CONSTRUCTION FUND PREPAY
1302	MCCS REC (FLD-FLD)
1304	HQ-UNEMP COMPENSATION REIMBURSEMENT
1307	SELF INSURANCE-CLAIMS
1309	MR RECEIVABLE (HQ)
1310	HQ-OF FUND ASSESSMENT
1311	HQ-CCF ASSESSMENT
1312	HQ-COMPOSITE INSURANCE PREMIUMS
1313	HQ-LOANS
1314	HQ-GROUP RETIREMENT
1315	HQ-GAMING ASSESSMENT
1321	HQ-CIVIL SERVICE REIM
1341	CAPITAL IMP. PROGRAM RECEIVABLE
	ACCRUED INCOME
1401	ACCRUED INTEREST
1403	OTHER ACCRUED INCOME
	INVENTORIES
1501	RETAIL
1502	FOOD & HOSPITALITY
1503	SERVICES
1504	RECREATION
1505	MILITARY CLOTHING- DSCP
1506	MCSS INVENTORY - 782 GEAR
1507	COMBAT UTILITY UNIFORMS & ACCESSORIES
1511	GOODS IN TRANSIT-LOCAL
1512	GOODS IN TRANSIT-MR
1513	GOODS IN TRANSIT-DSCP
1531	RETAIL-PERIODICALS
1550	INVENTORIES-JAPAN
1551	RETAIL-CONSUMABLES
1571	RETAIL-GASOLINE

	PREPAID EXPENSES
1601	SUPPLIES ON HAND
1602	MAINTENANCE CONTRACTS
1603	POSTAGE
1605	COMPOSITE INSURANCE
1607	OTHER PREPAID EXPENSES
1608	PREPAID TICKETS
1609	HQ-ARCHITECT/ENGINEERING NAF
1620	USA PREPAID
1621	USA PREPAID CONTRA
	LONG TERM ASSETS
	LONG TERM INVESTMENT
1701	CERTIFICATE OF DEPOSIT
1702	FEDERAL SECURITIES
	LONG TERM RECEIVABLE
1711	HQ-LOANS A/R
1712	FOREIGN NAT'L RETIREMENT
	PROPERTY
1801	PROPERTY & EQUIPMENT
1802	ACCUM DEPR - PROP & EQUIPMENT
1805	PROPERTY IN PROGRESS
	FACILITIES
1811	BUILDINGS
1812	ALTERATIONS IMPROVEMENTS
1813	ACCUM DEPR BUILDINGS
1814	ACCUM DEPR ALTER & IMPROVEMENTS
1815	LOCAL CONSTRUCTION IN PROGRESS
1816	HQ-CCF CONS IN PROGRESS
1817	HQ-CCF PROP IN PROGRESS
	CURRENT LIABILITIES
	ACCOUNTS PAYABLE
2101	VOUCHERS PAYABLE
2102	VENDOR INVOICES NOT RECEIVED
2103	VOUCHERS PAYABLE- DSCP
2104	DSCP INVOICES NOT RECEIVED
2105	PAYABLE DUE US TREASURY
2106	EMPLOYEE GRATUITIES/SERVICE CHARGE
2108	OTHER CURRENT LIABILITIES
2110	PURCHASE CARD
2120	3RD PARTY FINANCING
2130	CAPITAL LEASE OBLIGATIONS
	PAYROLL ACCOUNTS
	FEDERAL & STATE TAXES
2201	FEDERAL INCOME TAX W/HELD
2202	FICA TAX W/HELD
2203	RETIREE COLA OFFSET
2204	STATE/CITY TAX W/HELD
2205	STATE/CITY TAX W/HELD
2206	STATE/CITY TAX W/HELD
2207	STATE/CITY TAX W/HELD
2208	STATE/CITY TAX W/HELD
2209	L/N LOCAL TAX
2210	L/N MUNICIPAL TAX

	GROUP BENEFITS WITHHELD
2301	GROUP RETIREMENT
2302	GROUP BENEFITS
2305	HQ-CIVIL SERVICE RET SYS
2307	HQ-FED EMP RET SYSTEM
2308	HQ-THRIFT SAVINGS PLAN
2309	401K EMPLOYEE CONTRIBUTION
	OTHER DEDUCTIONS
2311	SAVINGS ACCOUNTS
2312	SAVINGS BONDS
2313	UNION DUES
2314	CHARITY CONTRIBUTIONS
2315	NET PAY DIRECT DEPOSIT
2316	OTHER WITHHOLDING
2317	LOANS - 401K EMPLOYEES
2318	L/N NET PAY
	GROUP BENEFITS PAYABLE
2321	HQ-GROUP RETIREMENT
2331	LONG-TERM CARE BENEFITS
2332	HQ - 401K LIABILITY
2333	401K LOAN PAYABLE (FIELD)
	INTRA MCCS SYSTEM
2401	CCF DEPOSIT
2404	REVOLVING FUND - PAYROLL
2405	OPERATING FUND ASSESSMENT
2406	CCF ASSESSMENT
2407	COMPOSITE INS PREMIUM
2408	MR CONUS PURCHASE
2409	MR PAYABLE (HQ) / MCCS Payable (FLD-FLD)
2410	LOANS (FIELD TO HQ)
2411	HQ-SELF INS CLAIMS
2412	GAMING MACHINE ASSESSMENT
2414	BENEFIT PREMIUMS
2415	RETIREMENT PREMIUMS
2416	401K CONTRIBUTION
2417	401K LOAN PAYABLE (FIELD)
2418	401K EMPLOYER CONTRIBUTION
2421	CIVIL SERVICE BENEFITS
	ACCRUED LIABILITIES
2501	ACCRUED SALARIES & WAGES
2502	ACCRUED ANNUAL LEAVE
2503	ACCRUED UNEMPLOYMENT COMP
2504	OTHER ACCRUED LIABILITIES
2506	ACCRUED UTILITIES
2508	L/N ACCRUED SALARIES & WAGES
2509	L/N RETIREMENT/SEPARATION
2510	L/N BONUS ALLOWANCE
2511	L/N TERM-END ALLOWANCE
2513	L/N ACCRUED WAIP
2514	L/N ACCRUED EIP
2515	L/N ACCRUED HIP
2516	L/N ACCRUED ZAIKEI
2517	L/N OTHER WITHHOLDINGS

	UNEARNED REVENUE
2601	SPECIAL ORDERS
2602	GIFT CERTIFICATES
2603	DEPOSITS ON RENTALS/CONTAINERS
2604	ALLOCATION OF CREDITS
2605	ALLOC CR - SHIPS STORES
2606	CUSTOMER DEPOSITS
2607	RECRUIT COUPONS
2608	UNEARNED DUES
2609	OTHER UNEARNED REVENUE
2611	BASIC WAGE OFFSET (BWO)
2613	LINKS ALLOCATIONS
2617	CONSIGNMENT SALES
2618	CONSIGNMENT SALES-SCUBA
	FUNDS HELD IN TRUST
2701	HQ - TRUST FUNDS ON DEP
2702	HQ - IN TRUST EXCESS CASH
	CONTINGENT LIABILITIES
2750	CONTINGENT LIABILITIES
2751	GENERAL CONTINGENCIES
	LONG TERM LIABILITIES
	LOANS PAYABLE
2801	MARINE CORPS STOCK FUND
2802	LOANS (FIELD-HQ)
2804	3RD PARTY FINANCING
2805	MCSS LOAN - 782 GEAR
2811	MCSF INV PRICE ADJ
2812	MCSS INV PRICE ADJ-782 GR
2830	CAP LEASE OBLIGATIONS
2911	L/T F-N RET/SEP ALLOW
	RESTRICTED FUNDED RESERVES
3101	HQ-COMPOSITE INS RESERVE
3109	HQ-MED INS RESERVE
3151	RESERVE/CAPITAL IMPROVEMENT FUND
	RESTRICTED UNFUNDED RESERVES
3201	HQ-MOUNT OUT RESERVES
	UNRESTRICTED NET WORTH
3401	OPERATING CAPITAL
3402	HQ-FUNDED RES (CONTRA)
3501	UNDISTRIBUTED PROFIT
	SALES
	DIRECT/INDIRECT OPERATIONS
4101	GROSS SALES
4103	RETURNED SALES
4104	TERMINAL MD/DISCOUNT
4124	INTRA MCCS SALES
4131	GROSS SALES-BOOKS
4133	RETURNED SALES-BOOKS
4134	TERMINAL MD/DISCOUNT-BOOKS
4141	CONSIGNMENT SALES
4143	CONSIGNMENT RETURNED SALES
4144	TERMINAL MD/DISCOUNT-CONSIGNMENT
4151	GROSS SALES-CONSUMABLES
4153	RETURNED SALES-CONSUMABLES
4154	TERMINAL MD/DISCOUNT-CONSUMABLES
4171	GROSS SALES-GASOLINE
4201	GROSS SALES
4203	RETURNED SALES
4301	SERVICES/FEES
4601	NON ESSENTUS SALES
4603	RETURN SALES NON ESSENTUS
4604	TERMINAL /MD NON ESSENTUS
4999	LICENSE/INSPECTION/STAMPS
	COST OF SALES
	DIRECT/INDIRECT OPERATION
5101	GROSS PURCHASES
5102	RETURNED PURCHASES
5103	FREIGHT
5104	FREE GOODS
5105	VENDOR INVOICE ADJUSTMENT
5106	TRADE/VOLUME DISCOUNTS
5107	PURCHASES COST ADJUSTMENT
5108	TRADE/DSPLY PERFORM ALLOW
5109	VENDOR PRICE CHG SUPPORT
5110	SURVEYS NON-CONSUMABLE
5111	WHSE MERC PERCENT ADJUST
5114	CASH DISCOUNT/RESALE
5131	GROSS PURCHASES-BOOKS
5132	RETURNED PURCHASES-BOOKS
5141	GROSS PURCHASES-CONSIGNMENT
5142	RETURNED PURCHASES-CONSIGNMENT
5151	GROSS PURCHASES-CONSUMABLES
5152	RETURNED PURCHASES-CONSUMABLES
5171	GROSS PURCHASES-GASOLINE
5199	GROSS PURCHASES-COST VARIANCE
5201	CONTRACTORS SHARE
5601	PURCHASES NON ESSENTUS
5602	RETURNED PURCHASES NON ESSENTUS
	OPERATING EXPENSES
6101	SALARIES AND WAGES
6102	FICA TAX
6103	ANNUAL LEAVE
6104	SICK LEAVE
6111	F/N RETIREMENT-SEPARATION
6139	OVERTIME
6140	TRAIN SAL/WAGE-JOB REL
6141	TRAIN SAL/WAGE-SPEC
6191	L/N SALARIES &WAGES
6193	L/N ANNUAL & SPEC LEAVE
6194	L/N SICK LEAVE
6202	401K EMPLOYER SHARE
6203	GROUP BENEFITS
6204	GROUP RETIREMENT
6205	RECRUITING
6207	MEDICAL EXAMS
6208	UNEMPLOYMENT COMPENSATION
6209	EMP INCENTIVE/SER AWARDS
6213	EMPLOYEE MEALS & REFRESH
6214	F/N ALLOWANCES & BONUSES
6215	F/N RETIREMENT OFFSET
6218	EMPLOYEE UNIFORMS
6220	OTHER EMPLOYEE EXPENSE
6221	CAPITALIZED EMP EXP(CONTRA)
6251	MR EMPLOYEE REIMBURSEMENT (CONTRA)
6261	EMP REIMB TRAVEL/TRANSPORTATION
6262	VEHICLE MAINTENANCE & GAS

6263	MANAGEMENT SITE VISIT
6264	HQ-FIELD TRAINING
6265	MCCS TRAINING
6266	CONTRACTED LABOR
6271	OPERATING FUND ASSESSMENT
6272	CCF ASSESSMENT
6273	GAMING ASSESSMENT
6274	OP FND ASSMNT-AAFES/NEXCOM DIS
6275	SPECIAL ASSESSMENT
6303	POSTAGE
6304	TELEPHONE
6306	UTILITIES
6309	TRASH DISPOSAL
6403	RENEWALS/REPL/MINOR EQUIPMENT
6404	CONSULTING SERVICES
6405	MAINTENANCE CONTRACTS
6406	DEPR EXPENSE-PROP & EQUIPMENT
6407	DEPRECIATION-BLDG
6408	DEPRECIATION ALT/IMPROVEMENT
6409	OTHER FACILITIES EXP
6410	REPAIR & MAINTENANCE
6418	RENTAL
6501	DSCP GRATUITOUS ALTERNATIONS
6502	DSCP RENOVATE RECOV'D CLOTHING
6503	DSCP ASSESS/SERV CHARGES
6504	DSCP DEFEC CLO/NONRECOVER
6505	DSCP SHORT/DAMAGED CLO
6506	DSCP UNCOLLECTIBLE ACCTS
6507	DSCP INVESTMENT LOSS
6508	DSCP INV OVER/SHORT
6510	DSCP GEN ADMIN OVERHEAD
6601	SELF INSURANCE PREMIUM
6602	SELF INSURANCE DEDUCT
6603	3RD PARTY AIR INSURANCE
6605	OTHER LIABILITY INSURANCE
6619	HQ-GROUP DENTAL
6620	HQ-WORKER COMP COMM PREMIUM
6621	HQ-GENERAL LIAB COMM PREMIUM
6622	HQ-AUTO LIAB COMM PREMIUM
6623	HQ-PROPERTY INS COMM PREMIUM
6624	HQ-AIRCRAFT INS COMM PREMIUM
6629	HQ-3RD PARTY CLAIMS ADMIN
6630	HQ-WORKERS COMP SELF- INSURANCE
6631	HQ-GENERAL LIAB SELF INSURANCE
6632	HQ-AUTO LIAB SELF INSURANCE
6634	HQ-PROPERTY SELF INSURANCE
6639	HQ-OTHER LOSSES SELF INS
6640	HQ-DEPARTMENT OF LABOR
6650	HQ-CLAIM EXP 3RD PARTY
6660	HQ-STD MEDICAL ACTIVE FEE
6665	HQ-STD MEDICAL RETIREE FEE
6667	HQ-STD MEDICARE RETIREE
6668	HQ-LIFE INSURANCE
6701	CONFERENCES & SEMINARS
6702	MCCS WARRANTY/GUARANTEE
6703	PRINTING & REPRODUCTION
6704	PROTECTIVE SERVICES
6705	FREIGHT
6706	PROFESSION MEMBERSHIPS
6707	BANK SERV CHG/WIRE TRANS
6708	AUDIT/INVENTORY SVCS
6709	SUPPLIES
6710	DEBIT/CREDIT CARD
6711	PUBS & SUBSCRIPTIONS
6712	LAUNDRY/DRY CLEANING
6713	CASH OVER/SHORT
6715	ENTERTAINMENT
6716	MOTION PICTURE
6717	TOURNAMENTS
6718	STUDY & REVIEW
6719	ATHLETIC OFC & CLINICS
6720	CONTRACTED EXPENSE
6721	AWARDS/PRIZES
6722	CHILD CARE FOOD
6723	APF-REIBURSE MAID SERVICE
6724	INTRA MCCS EXPENSE
6725	MISCELLANEOUS
6726	WAREHOUSE SURCHARGE
6727	HQ-SPORTS & REC PROGRAM
6730	UNIT ALLOCATIONS
6734	INTEREST EXPENSE
6736	DSCP G&A OVHD (CONTRA)
6737	SURVEYS-CONSUMABLE
6738	IN-KIND COMM SPONSORSHIP
6741	SALES PROMOTION
6742	ADVERTISING
6743	ADVERT/PROM (CONTRA)
6744	OFFICIAL FUNCTIONS
6745	3RD PARTY INTEREST
6746	CAPITAL LEASE INTEREST
6748	DPP SERVICE FEE
6749	ARMY SHARE/SLOT REVENUE
6750	BWO REDUCTION (CONTRA)
6751	FMF LAN/PAC
6752	HQ-FLORAL TRIBUTE
6753	HQ-DOD WAGE FIX AUTH.
6801	ESSENTUS IMPLEMENTATION ADJUST
6802	PENSION FUNDING
6901	USA PERSONNEL CONTRA
6902	USA UTILITIES, RENTS & PO CONTRA
6903	USA EQUIPMENT & MAINTENANCE CONTRA
6904	USA FACILITIES EXPENSE CONTRA
6905	USA SUPPLIES CONTRA
6906	USA G&A EXPENSE CONTRA
6907	USA TRANSPORTATION OF PERSONS CONTRA
6908	USA TRANSPORTATION OF THINGS CONTRA
6909	USA OFFSET CAT A/B CONTRA
	OTHER INCOME/DEDUCTIONS
8101	INTEREST INCOME
8109	DSCP INVEST LOSS (CONTRA)
8110	PREM/DISC FED SECURITIES
8201	MONEY ORDERS/TRAVELERS CK
8203	AUTO SALES
8204	POSTAGE STAMPS
8205	AAFES CATALOG PROFIT DISTRIBUTION
8206	PERSONAL TELECOMMUNICATION SERVICES

8207	OTHER COMMISSIONS
8208	TRAVEL SERVICE
8301	DUES INCOME
8302	HQ-GAMING MACHINE ASSESSMENTS
8303	HQ-OPERATING FUND ASSESSMENTS
8304	HQ-CCF ASSESSMENT
8305	AAFES/NEXCOM PROFIT DISTRIBUTION
8307	SHIPS STORE PROFIT DISTRIBUTION
8308	REIM FOR LOST PROPERTY
8309	ATM FEES
8310	CURR CONVERSION GAIN/LOSS
8311	COUPON FEES
8312	SALVAGE/RECYCLE INCOME
8313	ADVERTISEMENT INCOME
8314	CASH DISC NONRESALE
8315	SERV CHARGES FROM SALES
8316	BAD CHECK SERV CHRG
8317	LAYAWAY/SPECIAL ORDER FEE
8318	CANCELLATION OF AGED CHECKS
8319	INVENTORY OVERAGES/(SHORTAGES)
8320	OTHER INCOME
8321	REIM FOR NAFI SERVICES
8322	FEES AND CHARGES
8324	SOLICITED CORP SPSHIP INC
8325	UNSOLICIT CORP SPSHIP INC
8326	COMBINED FED CMPGN PROCDS
8327	HOME LAYAWAY-LT PYMT FEE
8328	LAYAWAY SURCHARGE/HNDLING
8329	TREASURY OFFSET PROGRAM (TOP) I
8331	USDA INCOME
8340	HQ-COMPOSITE INS PREMIUM
8341	HQ-HMO PREMIUM
8362	HQ-EMPLOYEE STD MEDICAL
8363	HQ OPT LIFE EMP CONTRIBUTION
8365	HQ-DENTAL EMP CONTRIBUTION
8371	HQ-MEDICAR RET EMP CONTRIBUTION
8372	HQ-MEDICAL RET EMP CONTRIBUTION
8373	HQ-OP LIFE RET EMP CONTRIBUTION
8375	HQ-EMPLOYER BENEFIT SHARE
8400	OTHER INCOME-MIL CLOTHING
8401	DSCP MANAGEMENT FEE
8402	DSCP RETAIL LOSS ALLOW
8404	DSCP RECOVERED MIL CLOTHING
8501	WR-OFF UNCOLL BAD CHECK
8502	WR-OFF OTHER UNCOLLECTIBLE
8503	LOSS/GAIN FIXED ASSET DSP
8504	LOSS/GAIN ON CONTAINERS
8505	PROMPT PAY INTEREST EXPENSE
8515	O/S SHIP OVERSEAS <$100
8517	OTHER DEDUCTIONS
8518	EPOS CLEARING
8519	GEN LEDGER ERROR CLEAR
8523	INTEREST EXPENSE
8550	COMMAND ALLOCATIONS
8901	EXTRAORDINARY INCOME
8951	EXTRAORDINARY LOSS

STATISTICAL ACCOUNTS

9101	RETAIL GROSS PURCHASES
9102	RETAIL RETURN PURCHASES
9120	RETAIL MARKUP/DOWN SCHEDULE CHANGES
9121	RETAIL SURVEYS
9122	RETAIL MARKDOWNS
9123	RETAIL MARKUPS
9124	RETAIL YEAR END COUNT O/S
9126	RETAIL ALLOW FOR SHORTAGE
9198	RETAIL SELL CONTRA BALANCE
9199	RETAIL SELL CONTRA
9401	MERCHANDISE INVENTORIES
9991	ACCOUNTS RECEIVABLE SUSPENSE
9992	ESSENTUS SALES SUSPENSE
9993	AUTOMATED DISCOUNT SUSPENSE
9995	FIXED ASSETS SUSPENSE
9996	INVENTORY SUSPENSE
9999	GENERAL LEDGER SUSPENSE

MCCS MANAGERS’ DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.5

Evaluate Current Fees, Prices and Charges

DO THIS TASK WHEN

- At least semi-annually for all programs and services.
- There is a sustained/substantial decrease in income and/or program participation.
- Directed by the Command or higher authority.
- In receipt of OSD’s annual Child Care pricing guidance.
- As required for any program or service based on the Program’s financial position or customer/patron input.
- Preparing/reviewing the annual budget.
- Competition analyses are completed/updated.
- Your MCCS Program’s activities, events, products, or services are adversely affected by inflation.
- There is a need to revise, adjust, and correct pricing of your activities, events, products or services to be more competitive or profitable or to meet standards.
- Pricing new activities, events, products or services.
- Cost of Goods sold (COGS) percentage is not meeting the published standards.
- Merchandise Inventory is overstocked, aged or a slow seller/non-mover.

REFERENCES

- MCO P1700.27 (series) MCCS Policy Manual.
- MCO P1700.30, Business Operations Program Manual.
- MCO P1710.30D, Children and Youth Programs Manual.
- Annual letter from OSD on Child Care Service Fees.
- Local MCCS standard operating procedure (SOP) for Fees, Prices, and Charges.
- DoDI 1015.15 Procedures for Establishment, Management and Control of Nonappropriated Fund Instrumentalities and Financial Management of Supporting Resources.

SUPPLIES/ RESOURCES

- Financial statements and budgets.
- List(s) of current fees, prices, and charges.
- Associate Satisfaction Index (ASI) MCCS Customer Satisfaction Index (CSI) results.
- Local customer/patron usage data.
- Assessment data of on- and off-base competition.
- Comment cards and similar MCCS Program evaluation data.
- Typical office supplies, calculator, and computer.
- Invoices and inventory sheets.
- Product specifications.

THIS TASK IS DONE CORRECTLY WHEN

- Established fees, prices, and charges contribute income to offset operating expenses and meet recapitalization needs.

- Participation/revenue has not declined solely due to current fees, prices, and charges.

- Fees, prices, and charges are within a 25% discount of comparable commercial market for Category - C activities.

- Fees, prices, and charges comply with CO/XO or CFO guidance or other higher authority requirement.

- Fees, prices, and charges are in accordance with published standards. (See program financial standards and Measurements of Effectiveness (MOEs) provided at the end of this task.)

- Fees, prices, and charges are adequate to meet required gross profit margins. (See program financial standards and Measurements of Effectiveness (MOEs) provided at the end of this task.)

- Dues/fee structures are established for members of membership clubs at rates lower than “nonmember” rates to establish perceived value in the membership.

- Prices for products (except food) are not lower than prevailing prices charged for similar items by the local Marine Corps Exchange retail outlets.

- Child Development Centers and Youth Programs providing full-time care fees, prices, or charges are based upon current OSD schedules.

- COGS and profitability meet or exceed published financial and operating standards.

NOTES

This task is performed in close cooperation with the MCCS Director and local Program managers. (E.g., Golf, Bowling, Youth, etc.)

Every Marine Corps MCCS Program is obligated to offer its customers/patrons the widest range of services possible at the lowest overall cost. Success in meeting this obligation is measured, among other ways, by:

- The number and positive reactions of the customers/ patrons participating.
- The number and kinds of MCCS Program activities, events, products and services offered.
- Achieving the Program's financial goals.
- The benefits and values of MCCS Program's activities, events, products and services offered.

Each customer/patron should have an equal opportunity to participate in the MCCS programs, regardless of rank, age, sex, culture, athletic skills, creativity, or reasonable ability to pay. This creates a need for a wide variety of programs, moving far beyond sports, hobbies, and clubs, within the reasonable ability of all to pay. For this reason, many Marine Corps MCCS programs are offered to the customer/patron at reduced or no charge.

These Programs are funded from many sources including appropriated fund (APF) allocations, MCX profit distribution, grants, recycling programs, Category C generated funds, etc. These distributions create opportunities for quality MCCS programs regardless of where the customers/patrons are stationed.

NOTES (cont.)

But, as with everything else, demand exceeds resources. The Marine Corps customer/patron wants and needs more kinds of recreational services than Marine Corrps-wide funds can supply. When money won't stretch, the MCCS has only two choices:

(1) Not meet the demand.

OR

(2) Produce more locally generated revenue to support programs by charging for some other programs.

"Pricing or price adjustments is one of the most technically difficult and politically sensitive areas in which public service managers have to make decisions. Pricing decisions are influenced by a myriad of ideological, political, economic, and professional arguments. The debate that accompanies this diversity of perspectives should focus on sound principles."

"The main failure of most user price policies is that they have been designed solely or primarily to raise revenue. The prevailing approach is to raise all prices by some arbitrary percentage or amount each year. Little effort is made to discover who is benefiting, who is paying, and the level of benefits and payments involved from each service."

"Even if incremental price increases are based on some acceptable criterion, they assume that the original price was appropriate. If the initial price was arbitrarily derived, then subsequent incremental increases are also likely to lead to an arbitrary price that does not accurately reflect the agency's objectives or the clientele's best interest."

Quotes from Marketing Government and Social Services, by John L. Crompton and Charles W. Lamb.

NOTES (cont.)

Minor price increases based on increased COGS or labor costs should be done regularly and as a routine part of doing business, without going through all the notification steps listed in this task.

Major changes due to policy from higher authority, changes in scope of program or mission should follow all the notification steps.

Arbitrary and/or across-the-board price hikes that are implemented in the absence of notification, explanation and any noticeable improvement in activities, events, products, services, quality, benefits and/or value are traditionally unacceptable to the customer/patron and often result in revenue losses--sometimes significant/permanent losses.

When customers/patrons complain about pricing, there is usually a bigger problem. These complaints are typically a symptom, where staff behavior, staff skill/knowledge, activities, events, products or services, supplies, equipment, the environment, customer service, and benefits/value are the problem..., fee, price, or charge changes won't fix these!

Obviously, cost issues will continue to prevail in your pricing decisions.

PROCEDURE

Step 1 Decide when to initiate a review of current fees, prices, and charges.

☐ Review all MCCS Program activities, events, products, and services at least semi-annually at approximately the same time each year.

☐ Initiate a review whenever indicated by the Program's financial position.

- Review Program when any negative trend is noted. Refer to Task 5.4, Analyze Financial Statements, for information on how to identify financial trends.

☐ Constantly monitor the impact of fees, prices, and charges on your Program's activities, events, products, and services from:

- Customer/Patron input/needs.
- Customer/Patron usage figures.
- Competition pricing.
- Command/Region Input.
- Higher authority direction.
- Customer/Patron complaints.

☐ Upon receipt of the annual Child Care and Youth Program pricing guidance from OSD.

☐ During Strategic and/or Short/Long-Term Planning.

☐ When preparing your Program Activity Calendar.

☐ During budget preparation.

☐ When pricing new activities, events, products or services.

☐ When your COGS percentage is not meeting the published standards.

☐ When reviewing direct delivery contracts.

☐ When merchandise inventory is overstocked, aged or a slow mover/non-mover.

Step 2 Determine if fees, prices, and charges are justifiable for your Program.

☐ Make copies of and use the Fees, Prices, and Charges Justification Worksheets on pages 5.5.49 - 5.5.53.

☐ Answer all the questions on the worksheets.

- **"NO"** Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.

- Uncorrectable **"NO"** answers indicate that implementing or adjusting fees, prices, and charges is NOT justified.

☐ Go back to each **"NO"** answer and develop a plan to correct the problem.

NOTE: This step is done so that you will:

- Consider all possible alternatives to setting or increasing Fees, Prices, and/or Charges.
- Determine the likelihood of getting approval.
- Determine if the **value** of your activities, events, products, or services exceed the cost.

Current policy requires "FREE" access for active duty personnel to fitness facilities.

- Gyms.
- Check-out equipment.
- Athletic weight rooms.
- Lap swimming, etc.
- Fitness centers.
- Intramural sports. (Except daily use fees like green fees for the golf course.)

Fees are permitted for personal convenience items (e.g., monthly rental lockers, daily-use lockers, etc.).

Commands are directed to use APF for fitness related programs, facilities and services.

Step 3 Research and identify current fees, prices, and charges levied by your competition--both public and private.

☐ Use the Assess Competition Worksheets provided in Task 2.1, Assess Competition.

☐ Contact:

- Nearby military installations with comparable programs.
- MCCS Departments within your region.
- Local public and private facilities and establishments that provide comparable services.

NOTE: Coordinate with other local MCCS Programs/MWRs (including those of other Armed Forces) to ensure fees, prices, and charges are within acceptable limits for local area.

While not a mandatory requirement, this should be done on an annual basis to ensure no single Command dominates the area market or suffers because of fees, prices, or charges that are out of line with all other Commands.

You complete this step so that you will:

- Be able to show your Command comparisons between your Program's current (proposed) fees, prices and/or charges for activities, events, products, and/or services to the fees, prices and/or charges of your competitor's.
- Be prepared for user reactions to the fees, prices and/or charges they say/claim they pay your competitors.
- Ensure there is a perceived value in your activities, events, products, and/or services for which your customers/patrons will be willing to pay fees, prices and/or charges.

Step 4 Review your Program to identify current usage, year-to-date financial position, and costs.

☐ Review your Program's financial statements to determine the NAF costs/expenses of program(s).

☐ Review the customer/patron participation data for your Program.

☐ Refer to Task 5.4, Analyze Financial Statements, for procedures for analyzing and identifying financial position and costs.

NOTE: This review of your Program's financials and customer/patron participation data will help you:

- Identify your current costs to determine a need to set/adjust and justify fees, prices, and or charges.
- Calculate actual dollar amount needed to meet your obligations.
- Estimate earning potential relative to each of your Program's activities, events, products, and services.
- Compare your Program's performance to published standards.

Step 5 Use copies of the NAF COSTS/REVENUE WORKSHEET to determine the NAF costs associated with your Program. (Blank forms are provided after page 5.5.55.)

☐ See examples on next three pages.

☐ Prepare a separate worksheet for each operating department or MCCS Program activity, event, product, and/or service you are considering.

NOTE: The NAF Cost/Revenue Worksheet helps you determine your actual NAF costs from the figures reported on your Program's monthly financial statements. The resulting figures tell only part of the story. To identify your "TRUE" costs, you also need to know the following:

- Your Program specific APF costs. (OpBud & Personnel costs.)
- Your prorated share of MCCS NAF operating expenses and revenue allocated to your Program.
- Your pro-rated share of MCCS APF operating expenses costs allocated to your Program.

Your MCCS Director and/or AC/S and/or CFO will be able to help you determine these figures.

There is a definite value in determining your "TRUE" costs of doing business. Once you arrive at your "TRUE" costs, you will be able to arrive at viable conclusions regarding your operation and will be able to explain or justify the following:

- Your level of subsidy.
- The impact of discounts or giveaways.
- Why you do/do not charge fees, prices, or charges for your products or services.
- Why you need to expand/downsize.
- Your Program's costs and why fees, prices, or charges are necessary.
- The impact on your Program as a result of cuts/shortfalls in APF.

A review of your usage data gives you the "numbers" that you will need to calculate single unit/person/team fees, prices, or charges and/or single unit/person/team costs.

Examples of usage include:
- A line of bowling; an 18-hole round of golf, etc.
- Per item. (E.g., a beer, a pair of golf shoes, etc.)
- A package. (E.g., a dinner theater, a trip, etc.)
- Per person event admission. (E.g., movie, concert, etc.)
- Per person activity admission. (E.g., swimming, classes, etc.)
- Per person. (E.g., $9.95 per person for Sunday Brunch.)
- Something sold/rented per hour, day, week, month, year, etc.

NAF COSTS/REVENUE WORKSHEET

For: Bowling - Overall Activity **Date/Time Period** ______________

NAF COSTS/EXPENSES

Cost of Goods Sold	$ 83,632	
Direct Expenses	$ 184,796	
Applicable G&A Expenses (from your Program G&A)	$ 96,728	
Total Program Specific NAF Costs/Expenses (1) →		$ 365,156

NAF REVENUE

Resale Revenue	$ 212,276	
Program Revenue	$ 324,000	
Miscellaneous Revenue Amusement machines	$ 28,000	
Total Program Specific NAF Revenue (2) →		$ 564,276
Number Users/Units (3) →	$ 51,840	▨
NAF Cost per User/Unit (1) divided by (3) →		(4) 7.04
NAF Revenue per User/Unit (2) divided by (3) →		(5) 10.88

NET RESULTS (4) MINUS (5)

If (4) is Higher - Net subsidized NAF Cost per User/Unit is → (Line 4 minus Line 5)	$
If (5) is higher - Net Surplus NAF Revenue per User/Unit is → (Line 5 minus Line 4)	$ 3.84

SAMPLE

NAF COSTS/REVENUE WORKSHEET

For: Bowling Program (Lines) **Date/Time Period** ______________

NAF COSTS/EXPENSES		
Cost of Goods Sold	$ —	
Direct Expenses	$ 136,756	
Applicable G&A Expenses (from your Program G&A)	$ 58,320	
Total Program Specific NAF Costs/Expenses (1) →		$ 195,076
NAF REVENUE		
Resale Revenue	$ —	
Program Revenue	$ 324,000	
Miscellaneous Revenue	$ —	
Total Program Specific NAF Revenue (2) →		$ 324,000
Number Users/Units (3) →	$ 46,000	▨
NAF Cost per User/Unit (1) divided by (3) →		(4) 4.24
NAF Revenue per User/Unit (2) divided by (3) →		(5) 7.04
NET RESULTS (4) MINUS (5)		
If (4) is Higher - Net subsidized NAF Cost per User/Unit is → (Line 4 minus Line 5)		$
If (5) is higher - Net Surplus NAF Revenue per User/Unit is → (Line 5 minus Line 4)		$ 2.80

SAMPLE

NAF COSTS/REVENUE WORKSHEET

For: Bowling - Snack Bar **Date/Time Period** ______________

NAF COSTS/EXPENSES		
Cost of Goods Sold	$ 38,400	
Direct Expenses	$ 42,844	
Applicable G&A Expenses (from your Program G&A)	$ 21,043	
Total Program Specific NAF Costs/Expenses (1) →		$ 102,287
NAF REVENUE		
Resale Revenue	$ 123,784	
Program Revenue	$ —	
Miscellaneous Revenue	$ —	
Total Program Specific NAF Revenue (2) →		$ 123,784
Number Users/Units (3) →	$ 26,060	▨
NAF Cost per User/Unit (1) divided by (3) →		(4) 3.92
NAF Revenue per User/Unit (2) divided by (3) →		(5) 4.75
NET RESULTS (4) MINUS (5)		
If (4) is Higher - Net subsidized NAF Cost per User/Unit is → (Line 4 minus Line 5)		$
If (5) is higher - Net Surplus NAF Revenue per User/Unit is → (Line 5 minus Line 4)		$ .83

SAMPLE

Step 6 Determine break-even point (BEP) and establish financial goals for the Program.

☐ See Task 5.12, Determine Break-even Point (BEP) to determine the amounts of gross and net profits needed, and the fiscal feasibility of a specific proposed fee, price, or charge.

☐ See example Program Standards and Measurements of Effectiveness (MOEs) provided on pages 5.5.33 - 5.5.36.

Always check the "current" standards applicable to your Program in applicable MR Division Instructions.

NOTE: The BEP procedure helps you calculate various data points necessary to make decisions regarding setting/adjusting and justifying fees, prices, and/or charges.

These various data points include:

- How many customers/patrons/sales are needed to reach equality (BEP) between all relevant costs and projected income.
- The actual dollar figure to charge for an activity, event, product, or service needed to reach equality (BEP) between all relevant costs to the projected/known sales or patronage.
- How much you need to adjust your fees, prices, and/or charges to accomplish a specific/changed financial goal, whether for specific activity, event, product or service, or overall for your Program.
- The effects of adjusting (controlling) costs or increasing revenue to specific activities, events, products, or services, or overall for your Program.
- When determining number of locations/out-laying sites.

What BEP won't tell you, is the possible temporary and sometimes permanent reduction in income brought about by addition or increases in fees, prices, and/or charges. (The remainder of this task attempts to deal with this challenge.)

Step 7 Determine if current fees, prices, and charges need to be:

☐ Increased.
☐ Decreased.
☐ Remain unchanged.
☐ Eliminated.

NOTE: Decreasing or eliminating fees, prices or charges is rarely possible and is usually ill advised as it sends a negative message to your customers/patrons. This negative message may be a perception that the value has diminished. However, increases in competition or system changes from higher authority may cause you to decrease or eliminate fees, prices, and/or charges.

- Steps 2-6 above will be factors in making this determination.

IF PROGRAM:	AND:	THEN:
Usage is good.	The Program's financial position is satisfactory/good.	1. Stop here. A change in fees, prices, or charges is probably **UNNECESSARY**.
Program usage is low.	Your Program fees, prices, or charges are within 25% of other outside facilities.	1. You probably can't raise prices, so do everything possible to accomplish the following: • Improve customer service. • Eliminate unused portions of programs. • Decrease expenses. • Add new activities/events. • Change days/hours of operation. • Delete unwanted products. (E.g., slow movers/excess stock.) • Add new products indicated by the results of needs/trends analyses. (Hot movers, but NOT necessarily fads, although some fads may be a good "shot-in-the-arm"! Just don't over-commit/over-stock!) • Promote and advertise! • Run specials. 2. Stop here. Monitor the Program. (See Task 5.4, Analyze Financial Statements.)
Is **NOT** meeting its financial goals.	Outside facilities are charging 25% or more than your present fees, prices, or charges.	1. Either increase or add fees, prices or charges to be within 25%. 2. Do everything possible to increase business/participation/revenue. (See ideas above.)

Step 8 Establish necessary fee, price, or charge adjustment.

IF THE ADJUSTMENT IS TO BE MADE TO:	THEN USE:
A food or beverage item.	1. Cost of Goods Method. 2. Go To Step 9.
A retail item in a pro shop.	1. Mark-up Method. 2. Go To Step 10.
A Program such as golf, bowling, marina slip rental, etc.	1. Assess Competition Method 2. Go To Step 11.
An activity or event such as a tournament or class.	1. Cost Plus Method. 2. Go To Step 12.
A Retail item at MCX or Seven Day Store.	1. Gross Margin Method. 2. Go to Step 13

NOTE: There are some programs whose fees, prices, and charges are set by law, regulations or established policies. In these cases, fees, prices, or charges will be determined by policy decisions. An example of this are the Child Development Centers and Youth Programs providing full-time care whose fees, prices, and charges structures are set by the annual OSD pricing guidance letter. Another example is centralized buying for retail merchandise where prices are set by Headquarters.

There is no one method to set fees, prices, and/or charges. One or more of the four methods that follow will be applicable to your type of Program, business, or office and its activities, events, products, and services.

You will find that in many MCCS Programs more than one of these methods will be applicable.

Step 9 Determine selling price for items that are traditionally priced using a **Cost of Goods Percentage Methods**. (E.g., Food and Beverage, etc.) See additional cost card and pricing samples and notes starting on page 5.5.39.

There are two parts in this Step: (1) Completing/updating the cost card, and (2) Pricing the item.

IF THE COST CARD IS:	THEN:
NOT complete, up-to-date, or correct.	1. Use Part (a) and the example to complete, update or correct a cost card for each item. 2. Continue with Part (b) to price the item.
Complete, up-to-date, or correct.	1. Continue with Part (b) to price the item.

Part (a) To complete a cost card, do the following:

☐ Determine the cost of the items that make up the resale item. Document this process on a cost card. (See example below.) Be sure to include complete actual costs (raw ingredients, loss in production, miscellaneous, waste, etc.).

☐ Total the individual costs to determine the total cost for the item you wish to price. Example shows $1.185 total cost.

COST CARD

ITEM: Philly Cheese Steak

Date 7 July XX

Quantity	Recipe Unit	Ingredient	Unit Cost	Total Unit Cost	Notes
½	Oz	Salad Oil	.057	.028	
¼	Oz	Sandwich Seasoning Mix	.08	.02	
4	Oz	Philly Steak Meat	.17	.68	
½	Oz	Onions, grilled	.02	.01	
½	Oz	Green Peppers, grilled	.04	.02	
1½	Oz	Provolone Cheese (3 slices)	.111	.167	
1	Ea	French Sub Roll	.20	.20	
1	Ea	Condiment Charge	.06	.06	

Recipe Total Cost $ 1.185

COGS ________________

Initial Selling Price _________

Actual Selling Price ________

SAMPLE

Step 9 (cont.)

Part (b) To price an item, do the following:

☐ Identify your Cost of Goods Percentage standard/goal. Use the published standards for your Program or the local goal that was determined during the budget process or when doing a BEP analysis.

☐ Calculate an *initial selling price* by dividing your total cost by the Cost of Goods percentage standard/goal. Enter this on the cost card.

Example: The total cost of the Philly Cheese Steak sandwich is $**1.19** (rounded up) and the standard Cost of Goods percentage for your Program is **38**%.

Divide the $1.19 by .38 to calculate an initial selling price of $3.13.

☐ Calculate an *actual selling price* by rounding the initial selling price up/down to an even currency number. (E.g., nickel, dime, quarter, dollar, etc. In this case $3.15.)

☐ Before finalizing the actual selling price go to Step 14 to consider other pricing factors. Enter a final actual selling price on the cost card.

☐ Calculate the items' COGS percentage based on the actual selling price by dividing the total cost by the actual selling price. Enter the percentage figure on the cost card.

Example: The total cost of the Philly Cheese Steak sandwich is $1.19 and the actual selling price has been set at $3.15.

Divide the $1.19 by 3.15 to calculate COGS of 37.7777% (Rounded to 38%).

COST CARD

ITEM: Philly Cheese Steak

Date 7 July XX

Quantity	Recipe Unit	Ingredient	Unit Cost	Total Unit Cost	Notes
½	Oz	Salad Oil	.057	.028	
¼	Oz	Sandwich Seasoning Mix	.08	.02	
4	Oz	Philly Steak Meat	.17	.68	
½	Oz	Onions, grilled	.02	.01	
½	Oz	Green Peppers, grilled	.04	.02	
1½	Oz	Provolone Cheese (3 slices)	.111	.167	
1	Ea	French Sub Roll	.20	.20	
1	Ea	Condiment Charge	.06	.06	

Recipe Total Cost $ 1.185

COGS 38%

Initial Selling Price $ 3.15

Actual Selling Price $ 3.15

SAMPLE

☐ If you are using none of the other pricing methods, go to Step 15.

Step 10 Determine the selling price for items that are traditionally priced using a **Markup Percentage Method**. (E.g., retail items to be sold at the golf or bowling pro shops.)

☐ Determine the raw cost of the item that you wish to price. Include all parts of the raw cost (price from the supplier, shipping or handling charges, insurance charges, discounts, etc.). Document these on your stock records. (See example below).

Econo Golf Balls (Titleist DS-2)	Net Cost	Each **1.06**	**STOCK CARD**
Supplier	**Units**	**Cost per Case**	**Cost per Each**
Eagle Supply Co.	12	11.52	.96
Shipping Charges		1.20	.10

SAMPLE

☐ Total the individual raw costs to determine the total cost of the item. Example shows a total cost of $1.06 each when the shipping charges are added to the supplier's cost.

☐ Identify your markup percentage standard/goal. Use local historical percentages, competitive information gathered from focus groups/surveys, or the goal determined during the budget input process or when doing a BEP analysis. There may be a range of markup percentages depending on the type of product to be priced. (E.g., soft lines, hard lines, high ticket items, etc.)

Example of Range:

Hard Lines.	30 - 10%.
Soft Lines.	30 - 20%.
High Ticket Items.	20 - 10%.

☐ Calculate the indicated selling price by multiplying the total raw cost by the markup percentage multiplier. (See page 5.5.37.)

> **NOTE:** If you lack historical records or standards, you can identify competitor prices from which you calculate your markup.

See example on next page.

Step 10 (cont.)

Example: The total cost of our golf ball is $**1.06** and the standard markup percentage was determined to be **25%**.

Add 25% (.25) to 100% (1.0) to arrive at 1.25 the markup percentage multiplier.

Multiply total cost **1.06** times markup percentage multiplier **1.25** to calculate the indicated selling price.

1.06 X 1.25 = $1.325 rounded first to $**1.33** the indicated selling price, then to $**1.35**, an even change/currency number. (E.g., nickel, dime, quarter, dollar figure, etc.)

NOTE: This Markup Method of pricing and the Cost-of-Goods Methods of pricing are **NOT** the same.

Often, the Command, uninformed MCCS staff, and customers/ patrons will use these expressions as if they were synonymous.

A conversion table is provided at the end of this task on page 5.5.37 for your use when explaining the difference.

Few terms are more misunderstood than "Mark-Up" and Gross "Profit".

Mark-up is the percentage of the amount you earn on the COST of an item to you. **Gross Profit** is the percentage of the amount you earn on the SELLING PRICE of an item.

Mark-Up..., A brand costs $100 and brings in $125--that's $25 over cost. Divide the cost ($100) into the earnings ($25) and you get a percentage of 25%. That's your mark-up on *cost*.

Gross Profit..., A brand costs $100 and brings in $125--that's $25 over cost. Divide the selling price ($125) into your earnings ($25) and you get a percentage of 20%. That's your gross profit. This tells you that you are earning .20 on each dollar of sales to meet your cost of operations and net profit goals, if any.

☐ If you are using none of the other pricing methods, go to Step 14.

Step 11 Determine the selling price of activities and services that are traditionally priced using the **Assess Competition Method**. (E.g., Marina slip rental, line of bowling, round of golf, etc.) Refer to Task 2.1, Assess Competition, to complete this step.

☐ Identify your competition, if any exists, both in the private sector and at nearby military Commands, whose program services are similar to yours.

> **NOTE:** This pricing method has you price by comparing yourself to your “like” competition as perceived by your customers/patrons who evaluate you by your benefits and customer service as well as the value, price, products, and services.
>
> If no competition exists for your Program, OR if you are located in a high cost/resort area, and adjustments to your Program fees, prices, or charges are still necessary, go to Step 12 for instruction on using the Cost Plus method of setting or changing fees, prices, and charges. Contact Business Operations (MRX, MRK, or MRJ) for price range information for similar MCCS Programs.

☐ Complete either one of the two Assess Competition Worksheets in Task 2.1. Choose between Assess Competition Worksheet or Detailed Assess Competition Worksheet.

☐ Pay particular attention to the sections pertaining to the competition’s fees, prices, and charges.

☐ Using the guidelines as outlined in Task 2.1, Assess Competition, assess as many competitors as you can.

☐ Complete the Compare Competition Tally Sheet which compiles all the Assess Competition Worksheets on one form.

☐ Compare your fees, prices, and charges with your competition.

- Current MCCS pricing guidelines state that our fees, prices, or charges should be in a window that ranges to 25% lower than the private sector competition. (Within 75% of the competitor’s price.)
- Example: If the competitor’s price for a line of bowling is $2.50, then our price for a comparable line of bowling should be in the window from $1.88 to $2.50. (Competitor’s price $2.50 x .75 equals the lowest price in the range, in this case $1.88.)

☐ If you are using none of the other pricing methods, go to Step 14.

> **NOTE:** Use middle/average pricing whenever using graduated charges based on customer/patron income.

See example of Assess Competition Method on next page.

Step 11 (cont.)

IF YOUR FEE, PRICE, OR CHARGE IS:	AND:	THEN:
Lower than the competition's prices minus 25%. Example: Their price is $2.50 while ours is less than $1.88.	You are **NOT** meeting your financial goals.	1. Raise prices to be within 25% of competition. 2. The decision to adjust fees, prices, and charges upward to place them closer to the competition should be based on consensus. The MCCS senior management and the Command should have input before arriving at a decision. The key factor should be the impact on the net profit, and if the Program is meeting standards and if capitalization requirements are being met. 3. Go to Step 14.
	You need to recapitalize.	
	There are unmet needs in the MCCS Program.	
Within the 25% window of the competition. Example: Their price is $2.50 while ours is between $1.88 and $2.50.	You need to recapitalize.	1. Adjust prices to remain within 25% of the competition. 2. Go to Step 14.
	There are unmet needs in the MCCS Program.	
Our price is higher than the competition. Example: Their price is $2.50 while ours is $2.75.	You are meeting financial goals, recapitalization and MCCS needs.	1. Lower prices. 2. Note: Before making the decision to lower our fees, prices, or charges to make them more competitive, determine if the Program is meeting standards and if the capitalization requirements are being met. Brief all the key personnel in your department and the Command before deciding to lower your fees, prices, or charges. 3. Go to Step 14.
	You project that revenue losses from a price cut will be offset by increased usage and/or goodwill.	

Step 12 Determine the fee, price, or charge for activities that are traditionally priced using a **Cost Plus Method**. (E.g. Special events, aerobics classes, tournaments, etc.) (See blank form on page 5.5.57.)

☐ Determine the cost using the following worksheet example. Write the estimated costs and descriptions in the appropriate lines.

COST PLUS WORKSHEET

Program/Activity/Event Couples Dude Ranch Trip Date June 16, 20XX

Contractor. (E.g., instructors, officials, entertainers, etc.)	Trail ride fees & rodeo	$	250.00
Supplies.	Trivia stuff and bingo tickets	$	20.00
Security, emerg. med. svcs., safety.		$	0.00
Equipment/equipment rental. (A/V, staging, seating, lighting.)	Video Rentals	$	5.00
Advertising/promotions.		$	0.00
Transportation. (E.g., gasoline, tolls, driver, etc.)		$	255.00
Admission fee(s). (E.g., theme parks, national parks, broadway shows, etc.) [price times total participants]	Dinner charge $10 per couple	$	250.00
MCCS User fee(s). (E.g., golf course, bowling, etc.). [price times total participants]		$	0.00
Food and beverage.	Box lunch/sodas/snacks	$	150.00
Labor. (E.g., setup, tear-down, escort, clean-up, etc.)	Escort	$	56.00
Awards, prizes, trophies, games.		$	50.00
Other.		$	0.00
	Sub-Total	$	1036.00
	MCCS Overhead Charge (At least 10% of Sub-total)	$	104.00
	Total Cost	$	1140.00
(1140.00 / 25 couples = $ 45.60 per couple. Round to $46.00) Indicated Fee, Price, Charge = Total Cost divided by the number of participants or teams/etc. **Set this price using minimum participation to break-even.**	Indicated Fee Price, or Charge	Per couple $	46.00

NOTES: Awards/Prizes..., Best Costume, Funniest Hat, Best Rider, Greenest Green Horn, and Most Saddle Sores, although I'm not sure how we'll judge the latter ☺/.

SAMPLE

☐ If you are using none of the other pricing methods, go to Step 14.

Step 13 Determine the selling price for items that are traditionally priced using the **Gross Margin Method.** (E.g., consumable items to be sold at MCX or Seven Day convenience stores.)

☐ Determine the raw cost of the item that you wish to price. Include all parts of the raw cost (price from the supplier, shipping or handling charges, insurance charges, discounts, etc.). Document these on your local records.

Example:

Grab Bag Chips $17.00 for a case of 24.
Unit Cost - $17.00 ÷ 24 = .708 = .71

☐ Total the individual raw costs to determine the total cost of the item (include shipping insurance, freight or other costs).

☐ Identify your gross margin. Use local historical percentages, competitive information or goal determined during the budget input process. There may be a range of gross margin percentages depending on the type of product to be priced. (E.g., chips, soda, liquor, etc.)

☐ Calculate the indicated selling price by dividing the total raw cost by the gross margin percentage reciprocal (100% - gross margin percentage) example for 20% gross margin %: 100% - 20% = 80% reciprocal.

Example: Total cost of Grab Bag Chips is $0.71 and the Gross Margin percentage is 20%.

Subtract 20% (.20) from 100% (1.0) to arrive at .80 the Gross Margin Reciprocal.

Divide total cost .71 by .80 to calculate the selling price.

.71 ÷ .80 = .89 rounded up to .90

NOTE: Most retail items are centrally purchased and priced by MCX Headquarters. Consumable items (soda, chips, beer, liquor etc.) are considered direct delivery and contracted/purchased locally. These items are priced locally using the **Gross Margin Method**.

☐ If you are using none of the other pricing methods go to Step 14.

Step 14 Evaluate whether the new proposed prices have value. Use the information from your competitive analysis, customer surveys and focus groups and the pricing considerations listed below to check the value.

Pricing Considerations:

- What is the indicated fee, price, or charge?
- Is the fee, price, or charge too high?
  - For the customers'/patrons' price range.
  - In comparison to the competition.
  - Based on your MCCS departmental policy.
  - For the perceived value.
- Is the fee, price, or charge too low?
  - Causing too many low dollar volume sales.
  - In comparison to the competition.
  - Insufficient profit.
  - Based on your MCCS departmental policy.
  - For the perceived value.
- If the fee, price, or charge is too high, what can be done to lower it?
  - Reduce the price.
  - Reduce expenses.
  - Reduce net profit requirement.
  - Raise cost of goods percentage.
  - Reduce overhead.
  - Eliminate product line(s).
  - Find additional sources of funds.
  - Use coupons and other selective discounting.
- If the fee, price, or charge is too low and needs adjustment, what can be done to increase it?
  - Increase the price.
  - Increase the perceived value.
  - Implement joint promotional efforts.
  - Create Specials. (I.e., bundling or packaging products and services.)
- Compare the indicated fee, price, or charge value with that of other customer/patron opportunities.

Step 15 Adjust the fee, price, or charge as needed.

NOTE: **Minor** fee, price, or charge increases based on inflation, increased COGS, or increased labor costs should be done regularly and as a routine part of doing business, without going through the Command, staff, and customer/ patron notification steps detailed in this task.

Major fee, price, or charge increases due to policy from higher authority, congressional changes in labor law. (E.g., increase in the minimum wage or changes in scope of program or mission should follow all the steps detailed in this task.)

IF YOU CONSIDER THE PRICING ADJUSTMENT:	THEN:
Minor, as a regular part of doing business.	Go To Step 24
Major because of a change in policy or the scope of the business.	Continue with Steps 16 - 25.

Step 16 Outline all the reasons for establishing new (initial or increased) fees, prices, or charges.

☐ Communicate all the reasons for, and implications of, pricing or price changes.

NOTE: Failure to accomplish this step is one of the greatest causes of conflicts in developing and implementing new fees, prices, or charges.

☐ Be prepared to explain:

- Income distribution. (What the increase in revenue will be used for.)
- Fairness, benefits, and value of the fee, price, or charge.
- Efficiency implications, if any.
- Service improvements, if any.
- Product improvements, if any.
- Fees, prices, or charges levied by the competition.

Step 17 Assess opposition to proposed fees, prices, and charges or increases to existing fees, prices, and charges. Consider the following:

- ☐ Who will oppose initiation or upward change in fees, prices, or charges?
- ☐ What will be their primary objections?
- ☐ How will you overcome the objections?
- ☐ What is the best timing to introduce the pricing or price increase proposals?

NOTE: Anticipate that reactions to pricing or increase may not be as logical as the process you went through to set it.

Step 18 Develop a strategy to sell the proposed new fees, prices, or charges.

PROMPT:	EXAMPLE:
Who?	Who will you talk to?
What?	What will you tell them? What else will you do to sell the change?
Where?	Where will you talk to them?
When?	When will you change the price?
How?	How will you sell the change?
Why?	Why will the change benefit them?

Step 19 Plan and rehearse a briefing to describe and promote the proposed fees, prices, and charges or increases to existing fees, prices, or charges. (Refer to Task 1.7, Manage Meetings, Briefings and Presentations.)

Step 20 Arrange an appointment with your immediate supervisor to review initial pricing or price changes per local policy.

- If CO/MCCS Director approval is not required, at a minimum, provide a copy of pricing or price increase, or a memo.

IF YOU:	THEN:
Receive approval of fee, price, or charge changes.	1. Prepare SOPs for signature. 2. Go to Step 21.
Do NOT receive approval.	1. Take actions following your immediate supervisor's guidance. 2. Review analysis process. 3. Take further action as appropriate.

Step 21 Conduct customer service training for all staff members working in areas affected by pricing or price changes. (See Task 6.5, Train/Develop Staff.)

☐ Train staff to sell the positive aspects of the change.

☐ Reinforce the fact that exceptional customer service--the daily rule, is even more vital during any period of change..., even when change is for the better. Everyone is suspicious of change.

☐ Get the staff behind all positive aspects of change and customer service, NOT prices.

Step 22 Schedule and brief the fee, price, or charge additions/changes. (Refer to Task 1.7, Manage Meetings, Briefings and Presentations.)

- Managers, supervisors and support staff.
- Staff. (For customer/patron service/impact discussions.)
- Advisory councils and committees, if applicable.

☐ Get the members of these groups fully behind the initiation of pricing or price increase.

NOTE: Failure to communicate the benefits and value as well as the reasons for, and implications of, pricing, or price change, is one of the greatest causes of conflicts in developing and implementing new prices.

☐ Be prepared to explain:

- Income distribution.
- Fairness, benefits, and value of price.
- Efficiency implications.
- Service improvements.
- Product improvements.
- Current competition charges.
- Cost of product or service provided.

☐ Highlight value advantages, increased services, and improved quality of products.

☐ Downplay fee, price, or charge increase.

Step 23 Publish new fee, price, or charge structure at least 30 days in advance of effective price increases.

☐ Publicize all changes in fees, prices, and charges as soon as known.

☐ Highlight advantages, increase services, products, environmental changes.

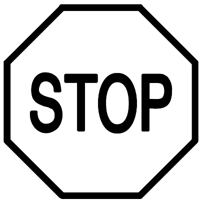
☐ Downplay price increase. Highlight the benefits/value added!

Step 24 Ensure fees, prices, and charges are being administered per your SOP on local fees, prices, and charges.

- ☐ Revise SOP if appropriate.

Step 25 Ensure all fee, price, or charge change details are accomplished.

- ☐ Reprogram electronic cash registers / Point of Sale (POS) system.
- ☐ Essentus Retail System.
- ☐ Post fee, price, or charge changes. (Use charts & signs.)



Congratulations! You've completed this task.

MCCS MEASUREMENTS OF EFFECTIVENESS (MOEs)

APPROPRIATED FUND SUPPORT

1. The basic standard for funding all MCCS activities is to use APF to fund 100% of authorized expenses. Commands shall develop personnel, training, logistics, facilities, and budget initiatives relative to the Program Objective Memorandum (POM) for all MCCS Programs. These requirements shall be submitted to Operating Budget (OPBUD) Holders for consolidation and submission to CMC (MR) as requested by separate Naval message biannually. MCCS must coordinate at all levels to ensure infrastructure and program needs are adequately planned and programmed in advance of implementing new or altering existing activities.

2. The nature of MCCS MWR activities determines whether they are wholly or predominately operated with APF or NAF. Based on the criteria of mission essentiality and NAF revenue generating capability, each MCCS MWR activity is assigned to one of three categories: Category A, Mission Sustaining Activities; Category B, Basic Community Support Activities; Category C, or Revenue Generating Activities.

MCCS NAF FINANCIAL AND CAPITALIZATION STANDARDS

PROFITABILITY	All activities authorized to be operated by Business Operations (excluding auto hobby and other hobby shops, bowling centers 12 lanes or less, information ticket and tours activities, Military Clothing Sales Stores (MCSS), and stables (Government owned portion)) are classified as Revenue Generators. ***These activities must at least break even for all NAF income and expenses (including depreciation but excluding prorated common support functions) in all three categories of activities as well as the overall fund.*** All revenue generating activities must at least break-even annually (including depreciation but excluding prorated common support functions) assuming the activity is funded adequately with APF. Prorated common support costs must be covered at the company level with the total net operating profit from all MCCS business operations. A financial position sufficient to cover its requirements including necessary operating cash and inventories shall be maintained. Adequate operating capital must be maintained at all times. ***MCCS local NAFI's must maintain a quick ratio of at least 1:1 at all times and a current ratio of 2:1***. Any revenue generator that shows a loss over two consecutive fiscal years must be changed or the Commander must justify keeping the activity open to the MCCS BOD.

MCCS MEASUREMENTS OF EFFECTIVENESS (MOEs) (cont.)	
GUIDANCE	A NAF capital investment strategy must address the ongoing recapitalization of the physical plant and fixed assets. The strategy should be innovative and shall contain precepts that shape our strategy development. NAF capital investments shall be made to expand viable programs that are deemed to be good financial investments, support our equity standards or serve customer needs. The relative balance of these 3 goals will continually evolve and change based on local leadership, evolving missions and available resources.
MARINE CORPS EXCHANGE	
MAIN STORE	1. Sales per square foot of selling space. a. Small exchange: $135 per square foot. b. Medium exchange: $290 per square foot. c. Large exchange: $500 per square foot. 2. Net operating profit as a percent to sales of 9%. 3. Average transaction size: $15. 4. Inventory shortage as a percent to sales of 1.00%. 5. Stock to sales ratio: 3.24. 6. Gross margin return on investment: $0.79. 7. Gross margin return on square feet: $95. 8. Operating expense on square feet: $76. 9. Net margin return on square feet: $19.
CONVENIENCE STORE	1. Sales per square foot of selling space: $350. 2. Net Operating profit as a percent to sales of 11.5%. 3. Gross margin return on inventory: $2.35. 4. Gross margin return on square feet: $90. 5. Operating expense return on square feet: $53. 6. Net margin return on square feet: $36. 7. Stock to sales ratio: 1.00. 8. Inventory shortage as a percent to sales of 1.00%.

MCCS MEASUREMENTS OF EFFECTIVENESS (MOEs) (cont.)

GAS STATION	1. Gallons of fuel pumped per month per pump 45,000 or greater. 2. Net operating profit as a percent to sales 10 - 20% or higher.
HAIRCUTTING	1. Number of heads cut per full time equivalent employee per month 500 or higher. 2. Net operating profit as a percent to sales 20% higher. 3. Average sales per patron based on current base loading $90 or higher.
LAUNDRY/DRY CLEANING	1. Average sales per active duty patron $40. 2. Net Operating profit as a percentage to sales 10.0%.

FOOD AND BEVERAGE STANDARDS

- Total Direct Food and Beverage Net Operating Profit. The net profit for all direct food and beverage activities must be at least 5 percent. This is to ensure that food and beverage activities maintain profitability.

- Difference Between Actual and Ideal Food Costs. The difference between the actual and ideal food costs shall not exceed 2% of sales on a monthly basis. Food and beverage activities are required to establish food and beverage cost cards and scatter sheets (paragraph 4019). These can establish the ideal food cost. To be effective, these must be compared with actual food cost computed by purchases and inventory and discrepancies corrected.

- Direct Full Service Food and Beverage Activities' Net Operating Profit. The net profit for direct full service food and beverage activities must be at least 5 percent. This is to ensure that full service food and beverage activities maintain profitability.

- Full Service Activities Food Cost Percentage. Full Service Activities shall maintain a food cost percentage between 37% and 42%.

- Full Service Activities Beverage Cost Percentage. Full Service Activities shall maintain a beverage cost percentage between 25% and 30%.

- Full Service Activities Food Labor Cost Percentage. Full Service Activities shall maintain a food labor cost percentage between 33% and 38%.

- Full Service Activities Beverage Labor Cost Percentage. Full Service Activities shall maintain a beverage labor cost percentage between 20% and 25%.

- Full Service Activities Prime Cost Percentage. Full Service Activities shall maintain a prime cost percentage of less than 75%. This is the combination of food and labor costs percentages.

Supplementary Financial and Operating Guidelines:

1. Achieve the net profit on all revenue as presently calculated on the MCCS Financial Statements. Required operating profit standard is inclusive of all authorized APF support, and properly allocated MCCS Fund expenses. (E.g., utilities, etc.)

2. Achieve a minimum break-even point (BEP) for food departments.

3. Determine and achieve BEP for each MCCS Program.

4. Assign responsibility for, and account for al inventory and all cash receipts. Ensure system includes retail accountability, guest checks, high-cost/sensitive item inventory control, and use of receipts for customer/patron cash payments.

5. Ensure pricing achieves required minimum Cost of Goods Sold (COGS) and profitability consistent with local competitive position and perceived value.

6. Review prices at least semi-annually.

7. Accomplish budget-to-actual variance analysis monthly and make adjustments as needed.

8. Review the activities, events, products and services of all Programs annually to assess cost effectiveness.

MARKUP VS. COST OF GOODS CONVERSION CHART

MARKUP PERCENTAGE	MULTIPLIER TO CALCULATE SALES PRICE	EQUIVALENT GROSS PROFIT PERCENTAGE	EQUIVALENT COGS PERCENTAGE
10%	1.10	9.09%	90.91%
15%	1.15	13.04%	86.96%
20%	1.20	16.67%	83.33%
25%	1.25	20.00%	80.00%
30%	1.30	23.08%	76.92%
35%	1.35	25.93%	74.07%
40%	1.40	28.57%	71.43%
45%	1.45	31.03%	68.97%
50%	1.50	33.33%	66.67%
55%	1.55	35.48%	64.52%
60%	1.60	37.50%	62.50%
65%	1.65	39.39%	60.61%
70%	1.70	41.18%	58.82%
75%	1.75	42.86%	57.14%
80%	1.80	44.44%	55.56%
85%	1.85	45.95%	54.05%
90%	1.90	47.37%	52.63%
95%	1.95	48.72%	51.28%
100%	2.00	50.00%	50.00%

A FOOD COSTING EXAMPLE

The following demonstrates one way to cost and price food items:

1. Assemble documents needed to cost food recipes.

   Include the following:
   ☐ Pricing worksheet.
   ☐ Recipes/cost cards from all sources for items on your menu.
   ☐ Current inventory sheets.
   ☐ Current month's (most recent) invoices.
   ☐ Local or regional specifications used for purchases.
   ☐ Blank cost cards.

2. Validate existing recipe cost information to ensure it can be used at your operation.

   Ensure each cost card meets the following criteria:

   ☐ Same/similar recipe ingredients are listed.
   ☐ Recipe units are accurate.
   ☐ Unit costs are realistic/current for your geographical area within a 5% cost variance.
   ☐ Total unit costs for all ingredients are calculated correctly.
   ☐ Total cost of menu item is calculated correctly.

3. Complete/update a cost card for each menu item/recipe using the following method and example on the next page.

   Enter the following information:

   ☐ Menu item **(A)**.
   ☐ Date **(B)**.
   ☐ Quantity (number of units used) **(C)**.
   ☐ Recipe Unit (e.g., oz., lb., ea., qt.) **(D)**.
   ☐ Ingredient (include everything that is used in the recipe/item) **(E)**.
   ☐ Unit Cost (cost per each recipe unit e.g., cost per oz., ea., tsp.) **(F)**.

NOTE:	To calculate the unit cost, divide the cost of the purchased size/unit by the number of the recipe units available. **Example:** French Sub Roll. Purchased pack and cost = 12 pack for $2.40, Unit cost = $2.40 divided by 12 = 20 cents each.

   ☐ Total Unit Cost **(G). (C) X (F) = (G)**
   ☐ Recipe Total Cost **(H)**. (Sum of column **G**.)

See additional information below the Cost Card on the next page:

COST CARD

ITEM: Philly Cheese Steak **(A)**	**Date** 7 July XX **(B)**

Quantity (C)	**Recipe Unit (D)**	**Ingredient (E)**	**Unit Cost (F)**	**Total Unit Cost (G)**	**Notes**
½	Oz	Salad Oil	.057	.028	
¼	Oz	Sandwich Seasoning Mix	.08	.02	
4	Oz	Philly Steak Meat	.17	.68	
½	Oz	Onions, grilled	.02	.01	
½	Oz	Green Peppers, grilled	.04	.02	
1½	Oz	Provolone Cheese (3 slices)	.111	.167	
1	Ea	French Sub Roll	.20	.20	
1	Ea	Condiment Charge	.06	.06	

Recipe Total Cost $ 1.185 **(H)**

COGS 38% **(I)**	**Initial Selling Price** $ 3.15 **(J)**	**Actual Selling Price** $ 3.15 **(K)**

SAMPLE

4. Calculate an initial selling price for each menu item and enter it at **(J)**.

NOTE: Total recipe cost ÷ COGS % = initial selling price.

Example: $ 1.19 ÷ .38 = $ 3.13 (This price will probably change before a final actual selling price is determined.)

5. Select an actual selling price and enter at **(K)**.

Use any of the following to determine the actual selling price:

- Current prices.
- Nearest competitor's price.
- Previous prices.
- Best guess on what customer/patron will pay.
- Calculated, using a given COGS percentage.
- Rounding to nearest currency… nickel, dime, quarter, dollar, etc.

6. Calculate Food Cost Percentage **(I)** using the actual selling price.

Example:

Total Recipe Cost **(H)** ÷ Selling Price x 100 = Food Cost % **(I)**.
$ 1.185 ÷ $3.15 x 100 = 37.62% (38%)

Enter Food Cost Percentage at **(I)**.

NOTE:	Pricing everything on a menu at the same COGS percentage is not in the best interest of your food program. This is because some items would be priced too low, for example if a whole menu was priced at 30% COGS a 12 oz soda may end up with an initial price of 45 cents while a Chef Salad may be at $7.00. A good COGS pricing mix will result in a realistic overall COGS. This means that each item being sold should contribute to a desired overall Cost Of Goods even though the calculated COGS for each item may differ quite a bit. For example beverages may be priced at 15% COGS, side items at 25% COGS and sandwiches at 40% COGS. Packaging is helpful in achieving an acceptable overall COGS. Adding low cost items like soda and french fries to a higher cost steak sandwich and priced as a combo meal will result in an acceptable price to the customer and an acceptable COGS to you.

A BEVERAGE COSTING EXAMPLE

The following demonstrates one way to cost and price beverage items:

1. Assemble documents needed to cost food recipes.

   Include the following:
   ☐ Pricing worksheet.
   ☐ Recipes/cost cards from all sources for items you serve.
   ☐ Current inventory sheets.
   ☐ Current month's (most recent) invoices.
   ☐ Local or regional specifications used for purchases.
   ☐ Blank cost cards.

2. Complete a cost card (see sample on following page) for each beverage recipe to include:

   ☐ Beverage name **(A)**.
   ☐ Drink Category **(B)**.
   ☐ Date **(C)**.
   ☐ Glass Type **(D)**.
   ☐ Pouring Instructions **(E)**.
   ☐ Quantity (number of units used) **(F)**.
   ☐ Recipe Unit (e.g., oz., each) **(G)**.
   ☐ Ingredients (include everything that makes up the item) **(H)**.
   ☐ Unit Cost (e.g., cost per ounce, each) **(I)**.

NOTE:	Determine unit cost by dividing the cost of the purchase size/unit by the total number of recipe units. There are 33 one-ounce servings in one liter bottle and 25 one-ounce servings in a 750 ml bottle.

☐ Calculate Total Unit Cost **(J)** for each ingredient using the following formula:

- Quantity **(F)** x Unit Cost **(I)**.

Example for Seven Up:

- Quantity **(F)** 3 oz x Unit Cost **(I)** $.04 = Total Unit Cost **(J)** $.12.

☐ Calculate Total Cost **(K)** for beverage recipe by adding the numbers in column **(J)** Total Unit Cost.

Drink Seven + Seven **Cost Card (A)**

Drink Category: **(B)** Call Shots and Highballs

Date: **(C)** 04/01/XX

Glass Type: (D)		**Pouring Instructions: (E)**	
Highball	Ice	Build	

Quantity **(F)**	Recipe Unit **(G)**	Ingredient **(H)**	Unit Cost **(I)**	Total Unit Cost **(J)**
1	Oz	Seagram's Seven	0.39	0.39
3	Oz	Seven-Up	0.04	0.12

Total Cost **(K)** $0.51

Selling Price (L) $3.00

Pour Cost % **(M)** 17%

SAMPLE

3. Use the Drink Pricing Category Guide below to determine each drink's pricing category.

DRINK PRICING CATEGORY GUIDE

IF A DRINK HAS A:	THEN DRINK CATEGORY IS:	EXAMPLES:
Single shot of liquor--with or without a standard mixer, and called by "Type".	Well shots and highballs.	• Screwdriver. • Tequila shooter. • Bourbon & Water.
Single shot of liquor--with or without a standard mixer, and called by "Name".	Call shots and highballs.	• Seven & Seven.
Single shot of Premium liquor--with or without a standard mixer, and called by "Name".	Premium Shots Highballs and liqueurs.	• Absolut Screwdriver. • Jeagermeister. • Drambuie. • Chivas on the Rocks.
Single shot of Well liquor--mixed/stirred with another liquor, such as Vermouth, and served in a presentation glass. (Usually garnished with olives, fruit, etc.)	Well cocktails.	• Martini. • Rob Roy. • Manhattan.
Single shot of Call liquor--mixed/stirred with another liquor, such as Pernod, and served in a presentation glass. (Usually garnished with olives, fruit, etc.)	Call cocktails.	• Gibson.
Single shot of Premium liquor--mixed/ stirred with another liquor, such as Drambuie, and served in a presentation Glass. (Usually garnished with olives, fruit, etc.)	Premium cocktails.	• Bombay Gibson. • Southern Comfort. • Manhattan. • Dewar's Rob Roy. • Tanqueray Martini.
Mixture of one or more Well liquors or liqueurs--layered or blended with one or more alcoholic or non-alcoholic mixers, (fruit or cream). Requires more extensive production and served in a specialty glass, with or without garnish.	Specialty / Exotic.	• Margarita. • Daiquiri. • Pina Colada. • Rum Runner.
Non-alcoholic and drawn from post/pre-mix tanks, bottles/cans, or a concentrate mixed with water.	Soda and fruit juice.	• Cola, 7-Up, Sprite. • Orange Juice.
Non-alcoholic, bottled, flavored, may or may not be carbonated.	Bottled tea and water.	• Mineral Water. (E.g. Perrier.) • Iced Tea. (Mystic, Lipton.) • Sports Drinks. (E.g. Powerade.)

DRINK PRICING CATEGORY GUIDE (cont.)		
IF A DRINK IS A:	**THEN DRINK CATEGORY IS:**	**EXAMPLES:**
Non-alcoholic, espresso based--mixed/ stirred with another ingredient such as steamed milk or chocolate.	Specialty coffees.	• Caffé Latte. • Mochaccino.
Alcoholic beverage--brewed or made in the U.S.--and served from a keg or box.	Beer--Domestic draft.	• Miller Lite. • Budweiser.
Wine served from box or bottle.	House wine.	• Chardonnay.
Alcoholic beverage--brewed or prepared in the U.S.--and served in the bottle or can.	Beer--Domestic bottle/can.	• Michelob. • Budweiser.
Brewed or prepared outside of the U.S.--and served from a keg.	Imported/ Premium draft.	• Heineken.
Alcoholic beverage--brewed or prepared outside the U.S.--and served in the bottle or can.	Beer--Imported/ Premium bottle/can.	• Corona. • Foster's.
Wine based beverage--may or may not be carbonated--and served in the bottle.	Wine cooler.	• Bartles & Jaymes.

4. Complete a pricing worksheet to determine category-selling prices based on what other operations are charging in your region and off base. See example on the following page.

5. Price all of your beverages in this manner. (E.g., beer, wine, soda, juice, bottled water.) Add selling price to your Cost Card at **(L)**.

6. Determine Pour Cost (COGS) percentage by dividing total cost by the suggested selling price and enter in Cost Card at **(M)**.

   Total Cost (K) ÷ Selling Price (L) x 100 = Pour Cost % (M).

   Example for Seven & Seven:

   $ .51 ÷ $3.00 x100 = 17%

STEPS TO COMPLETE A BEVERAGE PRICING WORKSHEET

1. Contact as many similar operations in the region and ask them to provide you with their prices for all categories listed. Responses may be quicker and more accurate if you send them a blank list. Use e-mail or fax. (Remember to consider other operations on base.)

2. Contact as many off-base civilian operations as reasonable and collect the same information. This may require collecting menus, talking to staff members, and simply observing.

3. Calculate the average prices in each category by dividing the sum of prices in each category by the number of operations. **Remember to do this separately for the region list and civilian list.**

4. Enter the results on the worksheet.

Example:

BEVERAGE CATEGORY PRICING WORKSHEET

CATEGORY:	AVG. REGION	AVG. OFF-BASE	SUGGESTED PRICE
Well shots And Highballs.	$2.50	$3.50	$2.50
Call shots And Highballs.	$2.75	$4.00	$3.00
Premium shots, Highballs, and Liqueurs.	$3.25	$4.50	$3.50
Well Cocktails.	$3.00	$4.00	$3.00
Call Cocktails.	$3.50	$4.50	$3.50
Premium Cocktails.	$3.75	$5.00	$4.00
Specialty / Exotic.	$4.50	$6.00	$5.00
Soda and Fruit Juice.	$1.00	$1.75	$1.00
Bottled Tea and Water.	$1.25	$2.00	$1.50
Specialty Coffees.	$1.50	$2.75	$1.25
Beer--Domestic draft.	$1.50	$2.50	$1.50
House wine.	$1.75	$3.00	$2.00
Beer--Domestic bottle/can.	$1.50	$2.50	$1.75
Imported/Premium draft.	$1.75	$4.00	$2.00
Beer--Imported/Premium bottle/can.	$2.25	$5.00	$2.50
Wine Cooler.	$2.50	$4.00	$2.50

SAMPLE

FEES, PRICES, AND CHARGES JUSTIFICATION WORKSHEET

Questions/Comments	Yes	No
Will increasing fees, prices, and charges do one or more of the following?		
• Increase/maintain the number of customers/patrons?		
• Increase/maintain the kinds and/or numbers of activities, events, services, or products you offer?		
• Improve/maintain the quality of programs offered?		
Comments:		
Will increasing fees, prices, and charges increase, or at least avoid decreasing, total MCCS self-sufficiency performance?		
Comments:		
Is the fee, price, or charge or increased fees, prices, or charges absolutely necessary?		
Comments:		

__“NO”__ Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.

Uncorrectable __“NO”__ answers indicate that implementation of fees, prices, and charges or adjustment of existing fees, prices, and charges is __NOT__ justified.

FEES, PRICES, AND CHARGES JUSTIFICATION WORKSHEET (cont.)

Questions/Comments	Yes	No
Is a fee, price, or charge or increased fee, price, or charge the only way to cover the cost? (See Solicit/Obtain Creative Funding or In Kind, Task 5.1, Prepare NAF Budget Projections.)		
Comments:		
Have you made accurate and realistic plans for use of the money that these proposed changes would cause?		
Comments:		
Is the fee, price, or charge fair for all frequent and infrequent users?		
Comments:		
Is the collection system simple and enforceable?		
Comments:		

“NO” *Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.*

Uncorrectable ***“NO”*** *answers indicate that implementation of fees, prices, and charges or adjustment of existing fees, prices, and charges is* ***NOT*** *justified.*

FEES, PRICES, AND CHARGES JUSTIFICATION WORKSHEET (cont.)

Questions/Comments	Yes	No
Are the fees, prices, and charges higher than the cost of collecting them? (E.g., staffing, cash registers, and other controls.)		
Comments:		
Can you establish this fee, price or change WITHOUT creating a “nuisance” fee?		
Comments:		
Will the benefit or worth be greater than customer/patron opposition?		
Comments:		
Is the fee, price, or charge in line with Command interests?		
Comments:		
Will the Command approve the pricing schedule?		
Comments:		

__“NO”__ Answers indicate problems that may need to be corrected before implementing any new fees, prices, or charges or adjusting any existing fees, prices, or charges.

Uncorrectable __“NO”__ answers indicate that implementation of fees, prices, and charges or adjustment of existing fees, prices, and charges is __NOT__ justified.

NAF COSTS/INCOME WORKSHEET

For: ____ **Date/Time Period** _______________

NAF COSTS/EXPENSES		
Cost of Goods Sold	$	
Operating Expenses	$	
Applicable Other Operating Expenses	$	
Total Program Specific NAF Costs/Expenses (1) →		$
NAF REVENUE		
Resale Income	$	
Program Income	$	
Miscellaneous Income	$	
Total Program Specific NAF Income (2) →		$
Number Users/Units (3) →	$	▨
NAF Cost per User/Unit (1) divided by (3) →		(4)
NAF Income per User/Unit (2) divided by (3) →		(5)
NET RESULTS (4) MINUS (5)		
If (4) is Higher - Net subsidized NAF Cost per User/Unit is → (Line 4 minus Line 5)		$
If (5) is higher - Net Surplus NAF Income per User/Unit is → (Line 5 minus Line 4)		$

COST PLUS WORKSHEET

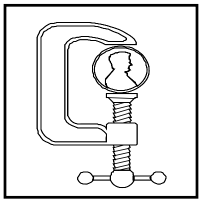
Program/Activity/Event ____________________________ **Date** _______________

Contractor. **(E.g., instructors, officials, entertainers, etc.)**	
Supplies.	
Security, emg. med. svcs., safety.	
Equipment/equipment rental. **(A/V Staging, seating, lighting.)**	
Advertising/promotions.	
Transportation. **(E.g., gasoline, tolls, driver, etc.)**	
Admission fee(s). **(E.g., theme parks, national parks, Broadway shows, etc.) [Price times total participants.]**	
MCCS User fee(s). **(E.g., golf course, bowling, etc.) [Price times total participants.]**	
Food and beverage.	
Labor. (E.g., setup, tear-down, clean-up, etc.)	
Awards, prizes, trophies.	
Other.	
Sub-Total	**$**
MCCS Overhead Charge (At least 10% of Sub-total)	**$**
Total Cost	**$**
Indicated Fee Price, or Charge ***Indicated Fee, Price, Charge = Total Cost divided by the number of participants or teams/etc. Set this price using minimum participation to break-even.***	**$**

NOTES:

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.6



Control Receipts and Cash

DO THIS TASK WHEN

- You or your staff receive cash, check, voucher, coupon, credit card payment, or gift certificate.
- As a regular part of doing business.

REFERENCES

- DoD Financial Management Regulation Nonappropriated Funds Policy and Procedures, Vol 13**.**
- MCO P1700.27 (series) MCCS Policy Manual.
- AXS-ONE Financial Software.
- Local standard operating procedures (SOPs) on cash handling and safeguarding receipts.

SUPPLIES/ RESOURCES

- Blank Daily Activity Records (DAR).
- Cash register, cash box or some other method of protecting funds.
- Appointment/Authorization letters.
- Credit card verification system.
- Credit card imprint machine with credit card sales slips.
- Cash register, receipt book or another method of recording transactions.

THIS TASK IS DONE CORRECTLY WHEN

- All funds are properly safeguarded.
- All receipts are recorded and protected.
- All transactions are properly documented.

NOTES

One of your most important duties as a manager is to ensure all receipts are collected, controlled and the transactions properly recorded. While the actual processes, as detailed in local SOPs, might differ between Commands, the similarities are numerous and will be outlined in this task.

You and your staff will be directly handling cash and/or other forms of legal tender. You will be responsible for ensuring that your staff properly collects, handles and records all transactions according to regulations and local policies.

PROCEDURE

Step 1 Ensure controls are in place for all operational receipt transactions.

☐ Only ONE person operates out of each change fund.

☐ Fees, prices, and charges are posted.

☐ Sales are controlled by the use of a cash register and/or a sales ticket system.

☐ Sales tickets, if used, are pre-numbered sequentially.

☐ Registers are read at the end of each shift by an individual **other** than the assigned cashier/cash handler.

☐ Register readings are compared to actual receipts and/or sales tickets.

☐ Daily Activity Records (DARs) are completed by the cashier/cash handler as outlined in Task 5.9, Close-Out Daily Financial Transactions.

☐ Procedures for over/under-rings are in place.

☐ Register over-rings are approved by a supervisor or a duty manager.

☐ Register shortages/over-rings are recorded for each cashier/cash handler to identify trends.

☐ Excessive (standard to be set by local policy) shortages/over-rings are investigated.

☐ All checks are endorsed immediately upon receipt through the use of a standard endorsement stamp, located at each money collection point.

☐ Three-part receipt books are used for all receipts not recorded on a cash register or a sales ticket.

☐ Receipt books are controlled, issued and used in sequence.

☐ All cash receipts are deposited intact.

☐ An SOP is in use for accepting and processing cash, checks, traveler's checks, vouchers, coupons, rebates, gift certificates and credit card transactions (both sales and returns).

Step 2 Ensure your staff, including all mail-openers, are trained in their cash handling responsibilities and procedures before actually handling cash/near-cash, operating registers, point-of-sale systems/computers, cash drawers/boxes, and receipt registers/logs.

Step 3 Ensure all change funds have been authorized in writing.

EXAMPLE -- CHANGE FUND AUTHORIZATION

7000
Ser 01/018
1 Jan XX

From: Director, MCCS, Kaneohe Bay
To: Manager, Sea Breeze Golf Course

Subj: ESTABLISHMENT OF CHANGE FUND

Ref: (a) DoD Financial Management Regulations, Volume 13

1. In accordance with reference (a), you are hereby authorized to establish a change fund for the Sea Breeze Golf Course in the amount of $3,000.00.

2. The change fund shall be kept under lock and key and shall be made available for audit and/or verification at any time.

3. The combinations to all safes that are used for holding funds will be changed whenever a new fund custodian takes over and as required by current local and official policy.

John C. Binding
John C. Binding, Director

SAMPLE

NOTE: Use this, or a similar format to authorize change funds for your cashiers.

Step 4 Ensure all cashiers/cash handlers are designated in writing by the fund custodian.

IF CASH HANDLER IS:	THEN:
Designated in writing by the fund custodian.	Continue with Step 5.
NOT designated in writing by the fund custodian.	1. Follow local policy for obtaining written designation of cash handlers. 2. Continue with Step 5.

Step 5 Provide all designated cashiers/cash handlers with cash handling SOPs.

IF CASH HANDLER NEEDS TO:	THEN CONTINUE WITH:
Receive/Return change fund.	Step 6.
Handle cash transactions.	Step 7.
Handle over/under rings.	Step 8.
Handle check transactions.	Step 9.
Handle credit card transactions.	Step 10.
Handle coupon/voucher sales transactions.	Step 11.
Turn in daily receipts from sales.	Step 12.

Step 6 Ensure all cashiers/cash handlers use the following to receive and return change funds.

RECEIVE CHANGE FUND

1. Count change fund in the presence of issuing authority to verify amount.

IF CHANGE FUND AMOUNT IS:	THEN:
Correct.	Sign receipt of transfer for change fund.
NOT correct.	1. Have issuer make addition or subtraction to correct change fund amount. 2. Sign receipt of transfer for change fund.

2. Secure change fund in register or other cash protection system.

RETURN CHANGE FUND

1. Return change fund to issuer per local policy (e.g., might be to night manager or central cashier).
   - Watch as issuer counts returned change fund.
   - Obtain original change fund receipt from issuer.
2. If issuer is not present, drop at designated drop site or deliver to the authorized pick-up service.
3. If change fund is over/under amount issued, follow local policy to adjust change fund.

Step 7 Ensure cashiers/cash handlers use the following to handle cash transactions.

HANDLE CASH TRANSACTIONS

You have been entrusted with one of MCCS's most important responsibilities, the handling of cash. This is not a task to be taken lightly. It will require your conscientious attention to ensure all transactions are accomplished in an accurate and efficient manner.

Let's not forget why we are here. Public relations and customer/patron service and hospitality are the essential parts of our jobs. SMILE, and offer your finest service!
It takes no longer to be friendly than discourteous and the rewards are great, not only for the customer/patron, but to yourself.

1. Immediately acknowledge the customer's/patron's presence at the register.
2. Ring the sale.
3. Place cash received from customer/patron on top of the open cash register drawer.
4. Count change back to customer/patron:
   - ☐ Start counting at the amount of the sale.
   - ☐ Count up to the amount of currency the customer/patron gave you.
5. Place money received into register and close drawer.
6. Give the customer/patron their receipt.
   - ☐ Smile.
   - ☐ Thank the customer/patron.
   - ☐ Invite the customer/patron to return soon.
7. Treat traveler's checks as cash. (See Step 9.)
   - ☐ Process like a normal bank check per local procedures.
   - ☐ Ensure customer/patron signs and dates traveler's check in your presence..., not beforehand.
   - ☐ Compare their signatures on the traveler's check to a proper photo identification card.
   - ☐ Stamp/write "MCCS Fund" on the front of the check on the "Pay To:" line.
   - ☐ Place the MCCS endorsement stamp "For Deposit only to the Account of (Name of Fund)" on the designated part of the back of the check. This MUST be done before placing the traveler's check in the cash drawer.

Step 8 Ensure cashiers/cash handlers use the following to handle over/under rings.

NOTE: NEVER make adjustments to later sales to correct a transaction error (an over/under ring).

HANDLE OVER/UNDER-RINGS

1. Inform manager/supervisor immediately when error is made.
2. Have manager/supervisor:
   - ☐ Circle transaction on register tape.
   - ☐ Write “void” and his/her initials beside the circled transaction.
3. Circle or underline the following on the customer’s/patron’s receipt:
   - ☐ Transaction number.
   - ☐ Amount of the over/under-ring.
4. Put the voided receipt in cash drawer.
5. Re-ring the transaction on the register.
6. Count change back to the customer/patron (or put additional money in the register).
7. Close the cash drawer.
8. Give the customer/patron their receipt.
   - ☐ Smile and apologize for the error.
   - ☐ Thank the customer/patron for their patronage.
   - ☐ Invite the customer/patron to return soon.
9. Attach the annotated receipts to the Daily Activity Record (DAR) at the end of shift.

Step 9 Ensure all cashiers/cash handlers use the following to handle check transactions.

NOTE: Any request for personal information must be accompanied by a Privacy Act statement.

The following Privacy Act statement should be posted at each check cashing location:

"**NOTE:** Disclosure of social security number and any other personal information is mandatory if you wish to cash a check. All information furnished will be used to identify, to this activity, writers whose checks have been returned unpaid. Request for this information is made pursuant to the authority of Title 5, U.S.C., Section 301, and Title 10, U.S.C., Section 5031."

- Local policy may require mandatory information from any customer/patron wishing to cash a check. Refusal to provide this information is grounds for denial of check cashing privileges.

☐ Managers MUST advise all cashiers/cash handlers of local policies on the dollar ceiling ($ _______ per person, per day) for personal checks drawn by authorized customers/patrons for cash.

- Make this information available at locations in the establishment where both customer/patrons and cash handlers have access to it.

☐ It is not advisable to cash paychecks, post-dated, or second party checks.

☐ When a customer's/patron's check is returned to an activity for any reason, follow local policy on charges to be paid by the customer/ patron to cover additional processing costs.

- Local policy may require denial of check cashing privileges to those individuals who have presented bad checks within a one-year period. (Check with supervisor.)

☐ When a check is received in the mail, follow local procedures for ringing up the sale/deposit, for providing a receipt to the customer, and for annotating the check on the Daily Activity Record (DAR).

Step 9 (cont.)

HANDLE CHECK TRANSACTIONS

1. Verify that:

   - ☐ Customer's/patron's check is NOT on the "bad checks" list.
   - ☐ Customer's/patron's check is within the authorized amount if cash, over the amount of sale, is involved.
   - ☐ Check is not post-dated.
   - ☐ Check is not a two-party check.
   - ☐ Full name is pre-printed on the check.
   - ☐ Print clearly on the front or back of the check any of the following information that is NOT pre-printed on the check:

     - ☐ Rank/Rate
     - ☐ Organization
     - ☐ Duty Station
     - ☐ Social Security Number **(See note on next page.)**
     - ☐ Telephone number
     - ☐ Address

2. Verify name and social security number by checking customer's/patron's identification (ID) card.

3. Initial top, right-hand corner of check (cashier/cash handler).

4. Stamp/write "MCCS Fund" on the front of the check on the "Pay To:" line.

5. Place the MCCS endorsement stamp "For Deposit Only to the Account of (Name of Fund)" on the designated part of the back of the check. This MUST be done before placing the check in the cash drawer.

6. Ring the sale on the register.

7. Count the change back to the customer/patron (if applicable).

8. Deposit check in the cash drawer.

9. Give the customer/patron their receipt.

10. Close the cash drawer.

    - ☐ Smile.
    - ☐ Thank the customer/patron for their patronage.
    - ☐ Invite the customer/patron to return soon.

Step 9 (cont.)

NOTE: Due to identity-theft issues, imprinting checks with Social Security Numbers is not required and is discouraged.

Many MCCS Programs now issue check-cashing cards to their customers/patrons who wish to pay for products and services by check.

Applicable personal identification details for the card are collected by the Program Cashier and retained in the MCCS Business/Admin Office.

Check Cashing Card Identification details include:

- Name.
- Date of Birth.
- Social Security Number.
- Command.
- Branch of Service.
- Address.
- Phone.

- Status--Active Duty, Retired, Family Member, Authorized Civilian, etc.

Step 10 Ensure cashiers/cash handlers use the following to handle credit card sales.

HANDLE CREDIT CARD TRANSACTIONS

1. Prepare for credit card sales. Each business day, ensure that:
   - ☐ Date on credit card imprint machine is correct.
   - ☐ Plate on imprint machine is in correct position.
   - ☐ Charge slips are broken out and in place.
   - ☐ A list of credit cards accepted by the business (e.g., MasterCard, VISA, AMEX, Diners' Club, Discover) is posted on register where customers/ patrons and cash handlers can see it.
2. Confirm:
   - ☐ Signature on cards. (If necessary, check card signature against a signed, valid identification.)
   - ☐ Card expiration date.
3. Get approval on amount of purchase before honoring charge per local policy.
4. Put card through voucher imprint system.
5. Check that:
   - ☐ Voucher is readable.
   - ☐ Transaction amount is correct.
6. Return credit card to customer/patron.
7. Have customer/patron sign the voucher.

   NOTE: Most of the requirements for mechanical imprint machines listed above are automated by the electronic card swipe systems.
8. Ring sale on register.
9. Place voucher in cash drawer.
10. Close cash drawer.
11. Give customer/patron receipt and copy of credit card voucher.
    - ☐ Smile.
    - ☐ Thank the customer/patron for their patronage.
    - ☐ Invite the customer/patron to return soon.

NOTE: "Batch" process credit card sales receipts at close out or end-of-shift per local procedures.

Step 11 Ensure cashiers/cash handlers use the following to handle coupon sales transactions.

HANDLE COUPON/VOUCHER SALES TRANSACTIONS

1. Check that the coupon's date is valid.
2. Ring the full fee, price, or charge on the register.
3. Ring coupon variance (the amount discounted by the coupon) on a designated discount/A&P/coupon key.
4. Place cash received from customer/patron on top of open cash register drawer.
5. Count change back to the customer/patron:
   - ☐ Start counting at the amount of the bill after coupon discount.
   - ☐ Count change up to the amount of the currency the customer/patron gave you.
6. Place money received and coupon into cash drawer and shut the drawer.
7. Give customer/patron receipt.
   - ☐ Smile.
   - ☐ Thank customer/patron for their patronage.
   - ☐ Invite the customer/patron to return soon.
8. Attach coupon to Daily Activity Record (DAR) at end of shift.

NOTE: This process applies to local coupons, etc. Change is NOT to be returned to the customer/patron who uses these.

Step 12 Ensure each cashier/cash handler uses the following to turn in daily receipts from sales at the end of a shift.

TURN IN DAILY RECEIPTS FROM SALES

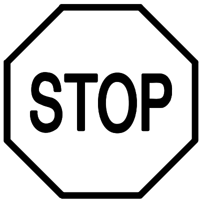
☐ Count money and complete Daily Activity Record (DAR) per local policy.

☐ Secure receipts (cash, credit vouchers, coupons, checks, gift certificates) and verify cash/near-cash receipts per local policy, then place the receipts and DAR in drop bag.

☐ Drop cash according to local policy. For example:

- Give to central cashier who has a method to know when all bags are delivered. (I.e., a zero DAR system is in place.)
- Give to duty manager.
- Put in drop safe, take to the drop site, or deliver to authorized pick-up service.

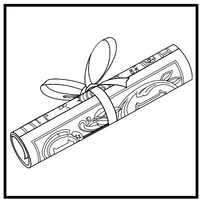
NOTE: Ensure procedures detail actions for lost, stolen, or missing cash/near-cash and receipts.



Congratulations! You've completed this task.

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.7



Manage Petty Cash Fund

DO THIS TASK WHEN

- Required by local regulations, policies, and/or standard operating procedures (SOPs).
- Establishing a petty cash fund in the local currency of a foreign county.
- There is a need to use petty cash.
- There is a need to train new staff on the use of petty cash.
- There is a need to explain the use of petty cash.
- Undergoing a fiscal oversight or internal control review inspection.
- Accomplishing your daily management and monthly close-out routines.
- Authorizing a new petty cash fund.
- Authorizing a petty cash custodian.

REFERENCES

- Department of Defense Financial Management Regulations, Vol 13**.**
- MCO P1700.27 (series) MCCS Policy Manual.
- Local regulations, policies, and/or SOPs.

SUPPLIES/ RESOURCES

- Local files containing authorization letters.
- Local cash count and reconciliation sheets to record the verified amount of the authorized petty cash fund(s).
- Lock Box.
- Cash box/drawer.
- Cash safe.
- Pre-numbered Petty Cash Vouchers, NAVCOMPT Form 743, or equivalent local form.
- Purchase order request forms.

THIS TASK IS DONE CORRECTLY WHEN

- The actual petty cash fund is established in writing.
- The petty cash fund custodian is authorized in writing.
- The petty cash fund is administered and maintained in accordance with Department of Defense Financial Management Regulations, Volume 13.
- There is a process in place to replenish the petty cash fund as needed and at the end of each accounting month.
- The amount of the petty cash fund does not exceed one month's requirements.
- Surprise/unannounced cash counts are conducted on a regular basis and at a minimum, quarterly.
- There is a systematic way to track petty cash vouchers.

NOTES

The following procedures assume that you are **NOT** the official custodian of the petty cash fund. If you are the custodian, you will still need to ensure these steps are followed in addition to actually administering and main-training the authorized petty cash fund.

The safeguarding of funds entrusted to you is one of the key factors in determining the success of your Program. Whether your role is strictly oversight, ensuring that all regulations, policies, and/or SOPs are followed, or a more “hands-on” role as the petty cash fund custodian, you are responsible for both your staff and the fund.

By systematically following all the procedures outlined in this task, you can assure that the petty cash fund will be safeguarded and all regulations and local policies are met.

Ensure only one person has control of, and is responsible for, each petty cash fund.

Petty cash expenditures are authorized for small transactions up to $150.00 (up to $300.00 for emergency situations) for any one transaction. **Splitting purchases to circumvent the single transaction limitation is prohibited.**

- While there is no policy definition of an emergency, it is important that clearly defined conditions be incorporated into your local SOPs. (E.g., mission essential reasons, need to purchase over a holiday weekend, etc.)

Petty cash on hand plus the total of authorized paid petty cash vouchers must, at all times, equal the amount authorized for each petty cash fund.

Purchasing your necessary operating supplies with your authorized NAF purchase card rather than using Petty Cash, is both the preferred and more efficient purchasing method.

PROCEDURE

Step 1 Verify establishment and authorization of each petty cash fund and designation of petty cash fund custodian.

☐ Ensure there is written authorization for the petty cash fund.

- The letter of authorization should state that the fund must be kept under lock and key whenever it is not in use and should state that the petty cash fund shall be made available for audit and/or verification at any time.

- The letter of authorization should also state that safe combinations to all safes holding MCCS funds should be changed whenever a new petty cash fund custodian is appointed, when directed by the commanding officer, or when there is suspicion of malfeasance such as missing money, evidence of theft, etc.

☐ Verify the amount for which the petty cash fund was authorized.

☐ Verify a written designation of the Petty Cash Custodian responsible for the fund.

See sample letter on next page.

EXAMPLE -- PETTY CASH CHANGE FUND AUTHORIZATION

7000
Ser 01/019
1 Jan XX

From: Director, MCCS, Kaneohe Bay
To: Ms. Sarah Anderson, Manager, Sea Breeze Golf Course.

Subj: DESIGNATION OF PETTY CASH FUND CUSTODIAN

Ref: (a) Department of Defense Financial Management Regulations, Volume 13.

1. You are hereby appointed petty cash custodian for the Sea Breeze Golf Course petty cash fund in the amount 0f $300.00 in accordance with reference (a).

2. The petty cash fund shall be kept under lock and key and shall be made available for audit and/or verification at any time.

3. The combinations to all safes that are used for holding funds will be changed whenever a new fund custodian takes over or if there is suspicion of malfeasance such as missing money, evidence of theft, etc., as required by current local and official policy.

4. All previous delegations or responsibility for this petty cash fund are hereby cancelled.

John C. Binding
John C. Binding, Director

SAMPLE

NOTE: Use this, or a similar format to authorize petty cash funds for your MCCS Programs.

Step 2 Ensure the petty cash fund(s) is secure and intact.

☐ Fund is kept in a locked, secure space (locked cash box, safe, etc.).

☐ A petty cash voucher (temporary and permanent) system is in place to track the fund at all times.

Step 3 Ensure petty cash fund amounts are verified regularly.

☐ A system is in place to replenish the petty cash fund as needed and at the end of each accounting month.

☐ Ensure documentation procedures are in effect to track the usage of the petty cash fund.

- Written Log.
- Count sheets.
- Receipt books.

Step 4 Ensure surprise/unannounced cash counts are conducted on a regular basis (at least quarterly) per local policy/regulation.

(See Task 5.10, Conduct Surprise/Unannounced Cash Count.)

Step 5 Ensure you have SOPs detailing proper use of petty cash funds.

The SOP should include:

- Issuing refunds.
- A prohibition on the use of this fund to cash checks.
- A prohibition on the use of the petty cash fund to pay staff members' wages or an entertainer's fee.
- Security controls. (E.g., safes, locked cash boxes, etc.)
- Handling of petty cash fund overages/shortages.
- How to obtain replenishment of the petty cash fund.
- How to obtain and use vouchers with the petty cash fund.
- How to pre-number the vouchers if pre-numbered vouchers are not available.
- How to obtain an increase/decrease in the authorized amount of the petty cash fund.
- The daily verification procedures.
- Dollar-limit for each transaction.
- Local restrictions on purchase types. (E.g., HAZMAT, alcohol/ tobacco products, personal items, ammunition, and similar restrictions.)

Step 6 Indoctrinate staff on authorized use of petty cash.

- Document this training per local procedures.
- Refer to Task 6.5, Train/Develop Staff.

Step 7 Ensure the petty cash fund custodians use Steps 7 through 10 to administer and maintain petty cash funds.

ESTABLISH PETTY CASH FUND

1. Take written authorization for petty cash to the person authorized to distribute funds. (Central cashier, deputy director, etc.)

2. Obtain petty cash fund from the individual authorized to distribute the money.

3. Count the petty cash fund in front of this individual.

IF PETTY CASH FUND AMOUNT IS:	THEN:
Correct.	Sign receipt of transfer for petty cash fund.
NOT correct.	1. Have issuer make addition or subtraction to correct petty cash amount. 2. Sign receipt of transfer for petty cash fund.

4. Obtain sequentially numbered petty cash vouchers according to local policy.

Step 8 Use petty cash vouchers in numerical order to document each petty cash disbursement.

IF:	**THEN:**
Purchaser needs petty cash before purchase is made.	1. Ensure the purchaser has management approval to use petty cash funds. (A purchase request or memo is suggested.) 2. Have purchaser sign a filled-out, temporary, petty cash voucher. 3. Retain the temporary voucher until the purchase receipt is in hand. 4. Give the purchaser a cash advance. 5. Ensure purchaser presents items purchased and receipts to an authorized receiving agent. (This may be the petty cash fund custodian.) ☐ The authorized receiving agent stamps receipt, "Received, Found Satisfactory, and Accepted". 6. Have purchaser complete the permanent petty cash voucher. ☐ Ensure purchasers provide adequate description of item(s) purchased and the Program where the item(s) will be used so the bookkeepers are able to assign applicable account numbers. 7. Custodian signs the permanent voucher after verifying evidence of acceptance on receipt and purchaser's signature on voucher. ☐ Complete the permanent voucher and attach it to the receipt. ☐ Void the temporary voucher. 8. If purchaser does NOT return purchase receipt according to local policy regarding time limits: ☐ Notify proper authority of date temporary receipt was signed. ☐ Put note in cash box stating the date the proper authority was notified. ☐ Take action according to local policy.
Purchase made without receiving advance funds from petty cash.	1. Complete items 1, 5, 6 and 7 from above.

NOTE: Use purchase request procedures per local requirements.

Step 9 Initial and attach purchase receipts to the petty cash vouchers.

- **Date-stamp the receipt to prevent re-use.**

NOTE: If your local regulation, policy or SOP's require petty cash custodians to assign an AXS-ONE Finance System account number(s) to each petty cash voucher before requesting replenishment of the fund, the Program manager should ensure the correct number is placed on the voucher and should indicate by signature that the account designated for that petty cash purchase is correct.

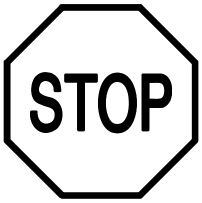
Step 10 Obtain petty cash reimbursement on the last business day of each accounting period and other times as necessary.

☐ List all vouchers, in numerical order, on a local reimbursement form or memo.

☐ Ensure there is a receipt attached to each petty cash voucher.

☐ At a minimum, make a copy of the reimbursement form or memo for your files.

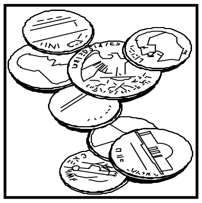
☐ Turn in the vouchers and all the supporting documents with a request for petty cash fund replenishment according to local policy.



Congratulations! You've completed this task.

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.8



Manage Change Fund

DO THIS TASK WHEN	• Required by local regulations, policies, or standard operating procedures (SOPs). • Accomplishing your daily management routines. • The Program accepts cash for sales of products/services. • Problems arise because of frequent cash overages and shortages during the business cycle. • Undergoing a fiscal oversight or internal control review inspection. • Explaining the administration and maintenance of the change fund.
REFERENCES	• Department of Defense Financial Management Regulations, Volumes 5 and 13. • MCO P1700.27 (series), MCCS Policy Manual. • MCO P7010.2 (series), MCCS NAF Procurement Manual. • Local regulations, policies, and/or SOPs.

SUPPLIES/ RESOURCES

- Local files containing authorization letters.
- Local forms to record the verified amount of the authorized change fund.
- Lock Box.
- Cash box/drawer.
- Cash safe.
- Bank deposit bags.
- Local regulations, policies, and/or SOPs.

THIS TASK IS DONE CORRECTLY WHEN

- The actual change fund is established in writing.
- The change fund custodian is authorized in writing.
- The change fund is administered and maintained in accordance with Department of Defense Financial Management Regulations, Volumes 5 and 13.
- The change fund is verified on a regular basis (at least monthly) per local policies/regulations.
- Surprise/unannounced cash counts are conducted on a regular basis and at a minimum, quarterly.
- There is a written record of any sub-custodied funds.
- Change fund equals amount in designation letter.

NOTES

The following procedures assume that you are **NOT** the official custodian of the change fund. If you are the custodian, you will still need to ensure these steps are followed in addition to actually administering and main-training the authorized change fund.

Change Funds. Change funds must be authorized, in writing, by the Commanding Officer, or designee, to include the custodian and amount. The fund is authorized primarily for making change, issuing refunds (which must be properly documented) and for check cashing. In addition:

- The AC/S or Director MCCS, or designee, will conduct quarterly surprise cash counts to ensure that the total on hand is the amount that has been issued and authorized.
- The AC/S or Director MCCS, or designee, will evaluate the amount of change funds, annually, to ensure that the funds are adequate and are not excessive to meet the needs of the activity.

The safeguarding of funds entrusted to you is one of the key factors in determining the success of your Program. Whether your role is strictly oversight, ensuring that all regulations, policies, and/or SOPs are followed, or a more “hands-on” role as the change fund custodian, you are responsible for both your staff and the fund.

By systematically following all the procedures outlined in this task, you can assure that the change fund is safeguarded and all regulations and local policies are met.

Ensure only ONE person operates out of each change fund.

Follow local policy regarding cash shortages and overages in the change fund.

PROCEDURE

Step 1 Verify establishment and authorization of each change fund and designation of change fund custodian.

☐ Ensure there is written authorization for the change fund.

- A copy of the letter of authorization should be safeguarded with the funds.
- The letter of authorization should state that the funds must be kept under lock and key whenever they are not in use and should state that the fund shall be made available for audit and/or verification at any time.
- The letter of authorization should also state that safe combinations to all safes holding MCCS funds should be changed whenever a new change fund custodian is appointed and/or there is a suspicion of malfeasance such as missing funds, evidence of theft, etc., per local policy/regulations.

☐ Verify the amount for which the change fund was authorized.

☐ Verify a written designation of the individual responsible for the change fund (Fund Custodian).

See sample letter on next page.

EXAMPLE -- CHANGE FUND AUTHORIZATION

7000
Ser 01/019
1 Jan XX

From: Director, MCCS, Kaneohe Bay.
To: Ms. Stephanie Mills, Manager, Sea Breeze Golf Course.

Subj: ESTABLISHMENT OF CHANGE FUND AND DESIGNATION OF FUND CUSTODIAN

Ref: (a) Department of Defense Financial Management Regulations, Volume 13.

1. A change fund in the amount of $1200.00 is hereby established for the Sea Breeze Golf Course Pro Shop.

2. You are hereby delegated responsibility for the administration of this fund in accordance with reference (a).

3. The change fund shall be kept under lock and key and shall be made available for audit and/or verification at any time.

4. The combinations to all safes that are used for holding funds will be changed whenever a new fund custodian takes over or if there is suspicion of malfeasance such as missing money, evidence of theft, etc., as required by current local and official policy.

5. All previous delegations or responsibility for this change fund are hereby cancelled.

SAMPLE

John C. Binding
John C. Binding, Director

NOTE: Use this, or a similar format to establish/authorize change funds for your MCCS Programs/departments.

Step 2 Ensure the change funds are secure and intact.

☐ Fund is kept in a locked, secure space (locked cash box, safe, etc.).

☐ A receipt system is in place for sub-custody of parts of the change fund to individual cashiers for their use.

☐ A system is in place to verify the amounts of any sub-custodied funds by the change fund custodian.

Step 3 Ensure change funds are verified on a regular basis per local regulations, policy, and/or SOPs.

☐ Determine how often to reconcile the change funds.

- At the end of each shift.
- Daily.
- Weekly.
- But, at least monthly!

☐ Establish documentation procedures for verification.

- Count sheets.
- Receipt book.
- Log book.

Step 4 Ensure surprise/unannounced cash counts are conducted on a regular basis (at least quarterly) per local regulation, policy, and/or SOP.

(See Task 5.10, Conduct Surprise/Unannounced Cash Count.)

Step 5 Ensure you have SOPs detailing proper use of change funds.

The SOP should include:

- How to accept and refund rental deposits.
- Check cashing policy.
    - The change fund cannot be used to cash staff personal checks except when the staff member is using the Program as an authorized customer/patron. (Although permitted, cashing payroll checks when in the course of using the Program is discouraged.)
- Security controls. (E.g., safes, locked cash boxes, registers, etc.)
- Handling change fund overage/shortage.
- How to receive/return change funds.
- Frequency of verification processes.
- How to obtain increase/decrease in the amount of the change fund.
- That change funds are not authorized for disbursements in lieu of traditional procurement methods including the use of a properly established and authorized petty cash fund.

> **NOTE:** It is important that your SOP prescribes practices that pinpoint control of the fund at all times. The procedures should provide safeguards for your employees and the fund.

Step 6 Indoctrinate staff on authorized use of the change fund.

- Document this training per local procedures.
- Refer to Task 6.5, Train/Develop Staff.

Step 7 Ensure all change fund custodians and cashiers use the following procedures to receive and return change funds after use.

RECEIVE CHANGE FUND

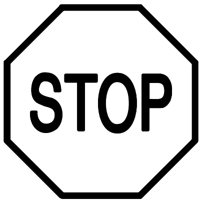
1. Count the change fund in the presence of the issuing authority to verify amount.

IF THE CHANGE FUND AMOUNT IS:	THEN:
Correct.	Sign receipt of transfer for the change fund.
NOT correct.	1. Have issuer make addition or subtraction to correct change fund amount. 2. Sign receipt of transfer for change fund.

2. Secure change fund in register or within another cash protection system.

RETURN CHANGE FUND

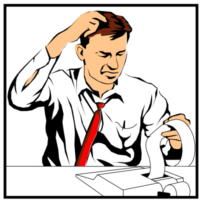
1. Return change fund to issuer per local policy (e.g., might be to a night manager or central cashier).
    - Watch as issuer counts change fund.
    - Obtain the original change fund receipt from issuer.
2. If no issuer present, drop at designated drop site or deliver to an authorized pick-up service. (The Central Cashier and a 3rd party verifier will remove the change fund and receipts from the drop safe before the next business day.)
3. If change fund is over or under amount issued, follow local policy to adjust change fund.



Congratulations! You've completed this task.

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.9



Close Out Daily Financial Transactions

DO THIS TASK WHEN

- Cash/near-cash is received at your facility.
- A work day or cash register shift ends.
- A cashier/cash handler must be relieved before the end of their scheduled shift.
- Preparing a ZERO (no entries/blank) DAR.
- Preparing a DAR in accordance with standard operating procedures (SOP).

REFERENCES

- Financial Management Regulation, Volume 13, Nonappropriated Funds Policy and Procedures.
- MCO P1700.27 (series) MCCS Policy Manual.
- AXS-ONE Financial System.
- Local SOPs.

SUPPLIES/ RESOURCES

- NAVCOMPT Form 2211, Daily Activity Record (DAR).
- Bank drop/deposit bags.
- Over/under-ring slips.
- Refund slips.
- Calculator.
- Monthly cash variance report for each cash handler.

THIS TASK IS DONE CORRECTLY WHEN

- Each DAR turned into the MCCS Finance Office has all the correct documentation attached.
- The MCCS Program Manager and the MCCS Finance Office agree on the accounting distribution.
- Money, receipts, documentation and DAR are dropped at the appropriate drop point, delivered to, or picked up by, an authorized pick-up agent/service.
- DAR is complete.
- Receipts are deposited/processed in the same day that the receipts are received.
- Local policy requires all cash handlers to prepare and forward a "ZERO DAR" (no entries when none to report) so that management and the MCCS Finance Office, who anticipate delivery of receipts, are aware that there are ZERO (0) receipts from that cash handler.

NOTES

One of your most important duties as a manager is to ensure all receipts are collected, controlled and the transactions properly recorded. While the actual processes, as detailed in local SOP's, might differ between Commands, the similarities are numerous and will be outlined in this task.

As the manager, it is unlikely that you will be preparing DAR's except in an emergency and rarer still that you will actually be filling out Block 19, "Breakdown of Revenue". However, you will be responsible for ensuring that your staff prepare the DAR's completely and correctly and that they attach all the supporting documentation. Before forwarding the DAR to the MCCS Finance Office, you should note where each part of revenue is to be accounted and make any changes via a memo, a note in Block 19, "Remarks", or a notation on the supporting document. This will convey your intentions regarding the information to be entered in Block 19, "Breakdown of Revenue".

If you are using point-of-sale systems (POS's), you may find that many of the steps in this task are automated by the system. (Review Task 5.6, Control Receipts and Cash.)

PROCEDURE

Step 1 Train your staff on completing and forwarding Daily Activity Records (DAR's). (See completed example after 5.9.14 and blank after 5.9.16.)

☐ Include the following in your training/indoctrination:

- When and how to prepare and check a DAR.
- How to verify receipts to the report.
- How and what to forward/deliver, and why.
- Local policy/procedures for:
  - Over/Under-rings.
  - Daily standards regarding shortages/overages.
  - Accountability and responsibilities.

☐ Obtain assistance from the MCCS Business Office to conduct this training.

☐ Document this training in accordance with local procedures.

☐ Refer to Task 6.5, Train/Develop Staff.

☐ Use a locally prepared example (job aid) of a correctly prepared DAR when training applicable staff in the preparation/review of the DAR.

Step 2 Ensure each cashier/cash handler completes a Daily Activity Record (DAR) at the end of his/her work day/shift.

☐ Ensure all DAR's are legibly prepared in ink.

> **NOTE:** Cashiers/cash handlers should prepare a ZERO DAR (0-entries) when they have NO receipts or transactions so that management and the Business Office don't have to look at their deposit bag/drawer.

Step 3 Ensure each person involved in the closing of daily financial transactions is performing according to the following:

IF THEY ARE:	THEN THEY SHOULD:
A cashier/cash handler.	Complete Step 4.
Authorized as a verifier (must be other than the cashier/cash handler).	Complete Step 5.
Authorized as a person to read the register tape (must be other than verifier or cashier/cash handler).	Complete Steps 6 and 7.

Step 4 Complete the cashier portion of the DAR.

> **NOTE:** Letters in parentheses correspond with those shown on the completed DAR examples. The entries in italics represent preparer entries.
>
> Cross-outs or white-out corrections are NOT permitted on Lines 1 through 6 of the DAR. If a mistake is made, begin a new DAR.

☐ Printing legibly, fill in the following information:

☐ Register Number **(A)**.

☐ Name of Department **(B)**.

☐ Legible Signature of Cashier **(C)**.

☐ Date **(D)**.

DAILY ACTIVITY RECORD **NAVCOMPT FORM 2211 (Rev. 3-72)**		REGISTER NO. *1* **(A)**
NAME OF DEPARTMENT **(B)** *Beach Comber*	SIGNATURE OF CASHIER **(C)** *Linda Harris*	DATE **(D)** *12/15/XX*

Step 4 (cont.)

☐ Printing legibly, enter the details of cash turned in (Block 20) by counting and totaling all cash by denomination, checks, and receipts as shown at **(E)**.

---

20. DETAIL OF CASH TURNED IN (TO BE FILLED IN BY CASHIER)

COINS	CENTS	2.00	**(E)**
	NICKELS	2.50	
	DIMES	3.10	
	QUARTERS	12.25	
	HALF-DOLLARS	-0-	
	TOTAL COINS		$ 19.85
CURRENCY	ONE'S	19.00	**(E)**
	FIVE'S	85.00	
	TEN'S	120.00	
	TWENTY'S	220.00	
	TOTAL CURRENCY		$ 444.00
CHECKS/M.O.'S	U.S. CHECKS	-0-	**(E)**
	OTHER CHECKS	20.00	
	MONEY ORDERS	-0-	
	TOTAL CHECKS/M.O.'S		$ 20.00
GRAND TOTAL CASH TURNED IN			$ 483.85 **(E)**

Step 4 (cont.)

☐ Printing legibly, complete Lines 1 through 6. (See example on next page.)

1. Total Cash turned in from Block 20.
2. Change Fund Amount. (Complete ONLY if policy requires it to be turned in with receipts.)
3. Refunds paid out, if any. (Must have supporting documentation. (E.g., coupons, annotated slip/receipt, etc.)
    - Enter the details of any coupons, etc., in Block 19, Remarks:

REMARKS: *(Use reverse side if necessary.)*

1 coupon for $2.00.
2 coupons for $1.00.
1 customer return.

4. Cash Sales Amount (Line 1 minus Line 2 = Line 4).
5. Charges/Commercial Credit Card Sales.
6. Total Sales (Line 4 plus Line 5 = Line 6).

NOTE: **If sales slips are used, record beginning and ending ticket numbers.**

Step 4 (cont.)

	ITEM NO.	ITEM	AMOUNT
LINES 1 THRU 6 TO BE FILLED IN BY CASHIER **(F)**	1.	CASH TURNED IN (DETAIL BELOW - ITEM 20)	483.85
	2.	CHANGE FUND (-) (WHEN TURNED IN WITH RECEIPTS)	N/A
	3.	REFUNDS (+)	-0-
	4.	CASH SALES	483.85
	5.	CHARGE/COMMERCIAL CREDIT SALES	4.00
	6.	TOTAL SALES SALES SLIPS OR TICKET NUMBERS ________ THRU ________	487.85

Step 5

Complete verification of cash and charge amount portion of the DAR.

NOTE: Cross outs and corrections are permitted on this portion of the DAR.

- Line through the error.
- Write the correct amount above the error.
- Initial and date.

No corrections will be made to lines 1 through 6.

Step 5 (cont.)

☐ Count and verify the following: Lines 7 through 11. (See example below at **(G)** below.)

7. Change Fund amount. (Only if policy requires it be turned in with receipts.)

8. Cash Receipts.

9. Total Cash Verified (Line 7 plus Line 8 = Line 9).

10. Charge Sales.

11. Total Verified (Lines 9 plus Line 10 = Line 11).

PERSON VERIFYING CASH AND CHARGES WILL VERIFY LINES 1, 2 AND 5 AND FILL IN LINES 7 THRU 11. **(G)**	7.	CHANGE FUND	N/A
	8.	CASH RECEIPTS	483.85
	9.	TOTAL CASH VERIFIED (LINE 7 + 8 = 9)	483.85
	10.	CHARGE SALES	-0-
	11.	TOTAL VERIFIED (LINE 9 + 10 = 11)	483.85

☐ Sign the DAR and make cash drop/deposit or delivery in accordance with local policy.

Step 6 Complete register reader's portion of the DAR in accordance with local policy. (Local policy may have another office complete this section.)

NOTE: Cross outs and corrections are permitted on this portion of the DAR.

- Line through error.
- Write correct amount above the error.
- Initial and date.

No corrections will be made to lines 1 through 6.

☐ Close out register and remove tape.

☐ Use information from the register tape to fill in Lines 12 through 18 on the DAR. (See example at **(I)** on next page.)

12. Closing Register Reading.
13. Opening Register Reading.
14. Register Amount (Line 12 minus Line 13 = Line 14).
15. Over-Rings (-) and Under-Rings (+).
16. Refunds (+) if reflected in regular register readings. (Do NOT do this if you use a refund key on the register.)
17. Adjusted Register Readings, (Line 14 +/- Line 15 plus Line 16 = Line 17).
18. Cash Overages or Shortages. (Total Sales [Line 6] minus Adjusted Register Readings [Line 17] equals Cash Overage/Shortage [Line 18].)

☐ If line 6 is higher than Line 17, circle overage. If Line 6 is lower than Line 17, circle shortage.

Step 6 (cont.)

PERSON READING THE REGISTER WILL FILL IN LINES 13 THRU 18 **(H)**	12.	CLOSING REGISTER READING	22,800.80
	13.	OPENING REGISTER READING	22,312.95
	14.	REGISTER AMOUNT (LINE 12 - 13 = 14)	487.85
	15.	OVER-RINGS (-) AND UNDER-RINGS (+)	-0-
	16.	REFUNDS (+) (TO BE USED WHEN REFUNDS ARE REFLECTED IN REGULAR REGISTER READINGS)	-0-
	17.	ADJUSTED REGISTER READINGS (LINE 14 +/- 15 + 16 = 17)	487.85
	18.	CASH OVERAGES OR SHORTAGES (CIRCLE) OVERAGE OR SHORTAGE	

☐ Sign the DAR in the correct signature block.

> **NOTE:** Although incorrect on the DAR form, complete lines 12 - 18 vice 13 - 18.

Step 7 Attach DAR to register tape with other supporting documentation. (E.g., credit card vouchers, coupons, refund approvals, overage/shortage slips, etc.)

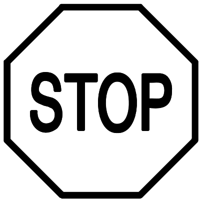
> **NOTE:** Batch-process credit card sales and documentation at the end of the shift/day in accordance with your local policy.

Step 8 Carefully check over the DAR and make any annotations that you want the MCCS Finance Office to note.

Step 9 Forward DAR in accordance with local policy.

Step 10 Communicate as needed with MCCS Finance Office to ensure you and they agree about the distribution of receipts.

> **NOTE:** This might include how you would want a service charge distributed or which department a particular sale should be credited to.
>
> This becomes more important and somewhat more difficult when your Finance Office is centralized.



Congratulations! You've completed this task.

DAILY ACTIVITY RECORD

NAVCOMPT FORM 2211 (REV. 3-72)

REGISTER NO. 1 **(A)**

NAME OF DEPARTMENT Beach Comber **(B)**	SIGNATURE OF CASHIER Linda Harris **(C)**	DATE 12/15/KK **(D)**

	ITEM NO.	ITEM	AMOUNT
LINES 1 THRU 6 TO BE FILLED IN BY CASHIER **(F)**	1.	CASH TURNED IN (DETAIL BELOW - ITEM 20)	$ 483.85
	2.	CHANGE FUND (-) (WHEN TURNED IN WITH RECEIPTS)	n/A
	3.	REFUNDS (+)	-0-
	4.	CASH SALES	483.85
	5.	CHARGE/COMMERCIAL CREDIT SALES	4.00
	6.	**TOTAL SALES:** **SALES SLIP OR TICKET NUMBERS ____________ THRU ____________**	$ 487.85
PERSON VERIFYING CASH AND CHARGES WILL VERIFY LINES 1, 2, 5 AND FILL IN LINES 7 THRU 11 **(G)**	7.	CHANGE FUND	n/A
	8.	CASH RECEIPTS	483.85
	9.	TOTAL CASH VERIFIED (LINE 7 + 8 = 9)	483.85
	10.	CHARGE SALES	-0-
	11.	**TOTAL VERIFIED (LINE 9 + 10 = 11)**	$ 483.85
PERSON READING THE REGISTER WILL FILL IN LINES 13 THRU 18 **(H)**	12.	CLOSING REGISTER READING	22,800.80
	13.	OPENING REGISTER READING	22,312.95
	14.	REGISTER AMOUNT (LINE 12 - 13 = 14)	487.85
	15.	OVER-RINGS (-) AND UNDER-RINGS (+)	-0-
	16.	REFUNDS (+) (TO BE USED WHEN REFUNDS ARE REFLECTED IN REGULAR REGISTER READINGS)	-0-
	17.	ADJUSTED REGISTER READINGS (LINE 14 ± 15 + 16 = 17)	487.85
	18.	**CASH OVERAGES OR SHORTAGES (CIRCLE: OVERAGE OR SHORTAGE)**	$

19. BREAKDOWN OF REVENUE (TO BE FILLED IN BY BOOKKEEPER)

NAME OF ACCOUNT	ACCOUNT NO.	DEBIT AMOUNT	CREDIT AMOUNT
TOTAL		$	$

* SIGNED REFUND VOUCHERS WILL BE ATTACHED

REMARKS: *(Use reverse side if necessary)*

1 coupon for $ 2.00

2 coupons for $ 1.00

1 customer return

20. DETAIL OF CASH TURNED IN (TO BE FILLED IN BY CASHIER)

COINS	CENTS	2.00	
	NICKELS	2.50	
	DIMES	3.10	
	QUARTERS	12.25	**(E)**
	HALF-DOLLARS	-0-	
	TOTAL COINS		$ 19.85
CURRENCY	ONE'S	19.00	
	FIVE'S	85.00	
	TEN'S	120.00	
	TWENTY'S	220.00	**(E)**
	TOTAL CURRENCY		$ 444.00
CHECKS/M.O.'S	U.S. CHECKS	-0-	
	OTHER CHECKS	20.00	
	MONEY ORDERS	-0-	**(E)**
	TOTAL CHECKS/M.O.'S		$ 20.00
	GRAND TOTAL CASH TURNED IN		$ **(E)** 486.85

SAMPLE

SIGNATURE OF PERSON DESIGNATED TO READ REGISTER Paul Augustus	SIGNATURE OF PERSON DESIGNATED TO VERIFY CASH AND CHARGES Chuck Hamilton

NOTE: TO MAKE CORRECTIONS: LINE THROUGH ERROR, WRITE CORRECT AMOUNT ABOVE ERROR, INITIAL AND DATE CORRECTIONS ARE MADE ONLY BY PERSON MAKING ERROR. NO CORRECTIONS WILL BE MADE TO LINES 1 THROUGH 6.

DAILY ACTIVITY RECORD

NAVCOMPT FORM 2211 (REV. 3-72)

REGISTER NO.

NAME OF DEPARTMENT	SIGNATURE OF CASHIER	DATE

	ITEM NO.	ITEM	AMOUNT
LINES 1 THRU 6 TO BE FILLED IN BY CASHIER	1.	CASH TURNED IN (DETAIL BELOW - ITEM 20)	$
	2.	CHANGE FUND (-) (WHEN TURNED IN WITH RECEIPTS)	
	3.	REFUNDS (+)*	
	4.	CASH SALES	
	5.	CHARGE/COMMERCIAL CREDIT SALES	
	6.	**TOTAL SALES:** **SALES SLIP OR TICKET NUMBERS** ______ **THRU** ______	$
PERSON VERIFYING CASH AND CHARGES WILL VERIFY LINES 1, 2 AND 5 AND FILL IN LINES 7 THRU 11	7.	CHANGE FUND	
	8.	CASH RECEIPTS	
	9.	TOTAL CASH VERIFIED (LINE 7 + 8 = 9)	
	10.	CHARGE SALES	
	11.	**TOTAL VERIFIED (LINE 9 + 10 = 11)**	$
PERSON READING THE REGISTER WILL FILL IN LINES 12 THRU 18	12.	CLOSING REGISTER READING	
	13.	OPENING REGISTER READING	
	14.	REGISTER AMOUNT (LINE 12 - 13 = 14)	
	15.	OVER-RINGS (-) AND UNDER-RINGS (+)	
	16.	REFUNDS (+) (TO BE USED WHEN REFUNDS ARE REFLECTED IN REGULAR REGISTER READINGS)	
	17.	ADJUSTED REGISTER READINGS (LINE 14 ± 15 + 16 = 17)	
	18.	**CASH OVERAGES OR SHORTAGES (CIRCLE: OVERAGE OR SHORTAGE)**	$

19. BREAKDOWN OF REVENUE (TO BE FILLED IN BY BOOKKEEPER)

NAME OF ACCOUNT	ACCOUNT NO.	DEBIT AMOUNT	CREDIT AMOUNT
TOTAL		$	$

* SIGNED REFUND VOUCHERS WILL BE ATTACHED

REMARKS: *(Use reverse side if necessary)*

20. DETAIL OF CASH TURNED IN (TO BE FILLED IN BY CASHIER)

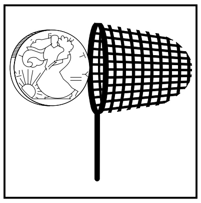
COINS	CENTS	**$**	
	NICKELS		
	DIMES		
	QUARTERS		
	HALF-DOLLARS		
	TOTAL COINS		$
CURRENCY	ONE'S		
	FIVE'S		
	TEN'S		
	TWENTY'S		
	TOTAL CURRENCY		$
CHECKS/M.O.'S	U.S. CHECKS		
	OTHER CHECKS		
	MONEY ORDERS		
	TOTAL CHECKS/M.O.'S		$
	GRAND TOTAL CASH TURNED IN		$

SIGNATURE OF PERSON DESIGNATED TO READ REGISTER	SIGNATURE OF PERSON DESIGNATED TO VERIFY CASH AND CHARGES

NOTE: TO MAKE CORRECTIONS: LINE THROUGH ERROR, WRITE CORRECT AMOUNT ABOVE ERROR, INITIAL AND DATE CORRECTIONS ARE MADE ONLY BY PERSON MAKING ERROR. NO CORRECTIONS WILL BE MADE TO LINES 1 THROUGH 6.

MCCS MANAGERS' DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.10



Conduct Surprise/Unannounced Cash Counts

DO THIS TASK WHEN

- Required by local standard operating procedures (SOPs), but at least quarterly.
- Before holidays, pay days, local events, and scheduled holidays.
- Required for any fiscal oversight or audit purposes.
- There is suspicion of some malfeasance or wrongdoing within the organization.
- Directed by the MCCS Director/site manager or the CO.

REFERENCES

- MCO P1700.27 (series) MCCS Policy Manual.
- Department of Defense Financial Management Regulations, Volumes 5 and 13**.**
- Local MCCS SOPs for Cash Handling.

SUPPLIES/ RESOURCES

- Change fund authorization forms/letters.
- Locally developed cash count sheets.
- Calculator.
- Bank drop/deposit bags.
- Daily Activity Record (DAR).

THIS TASK IS DONE CORRECTLY WHEN

- All cash on hand plus the receipts is compared to the authorized cash fund amount plus the indicated sales amounts.
- Shortages/Overages are identified and corrected.

NOTES

Reasons for conducting surprise/unannounced cash counts include:

- Ensuring all cash and receipts are accounted for.
- Ensuring cash handler's change funds are the full amount that was authorized and issued.
- Deterring temptation.

The person who conducts cash counts must be someone other than the assigned cash custodian for that portion of the fund.

Cashiers/cash handlers MUST be present from start to finish of a cash count. This ensures that any discrepancies are witnessed.

Follow local procedures for doing surprise/unannounced cash counts.

PROCEDURE

Step 1 Determine the procedure for this surprise/unannounced cash count.

IF THE REASON TO CONDUCT THIS SURPRISE/UNANNOUNCED CASH COUNT IS:	THEN:
Compliance with a local SOP or required for audit purposes.	1. Conduct the cash count while the custodied funds are **NOT** in operation. 2. Go to Step 12.
A suspicion of wrongdoing or malfeasance at the facility.	1. Conduct the cash count while the funds **ARE** in operation. 2. Go to Step 2.

NOTE: Provide an alternative cash handler/register operator during surprise/ unannounced cash counts.

To avoid "he said/she said" disagreements, conduct all surprise/ unannounced cash counts in the presence of an impartial witness.

Step 2 Prepare to conduct surprise/unannounced cash counts on the cashier/cash handler while funds **ARE** in operation.

Remember to:

- Review the change fund receipt or the letter authorizing sub-custody of a portion of the total authorized change fund.
- Ring out, or get the register read.
- Take control of all cash and cash items.
- Count the change fund and cash drawer/box in the presence of the cashier/cash handler.
- Complete the cash count sheet in ink. (See blank after page 5.10.10.)

Step 3 Tell the cashier/cash handler to secure operations.

Step 4 Shift to another cashier/cash handler to minimize customer/patron inconvenience.

Step 5 Have an authorized cash register reader:

☐ Read the register.

☐ Remove the detail tape from the register.

Step 6 Pull the drawer/box, ring out, then go to a non-public location to conduct the cash count.

Step 7 Count and record all cash and cash items on Cash Count Sheet. (See sample Cash Count Worksheet on next two pages.)

Step 8 Use the following procedure to determine the Amount Authorized using the cash register readings.

- Record your calculations on the front of the cash count form.
- The Sales plus the authorized change fund is the Amount Authorized and should equal the amount of cash and cash items counted from the back of the cash count form.

EXAMPLE	
Closing Register Reading	$2,487.00
Less Opening Register Reading	-2,420.00
= Sales	$67.00
Over/Under-rings: (Shown as - or +)	-2.00
= Net Sales	65.00
Plus the Change Fund	+200.00
= Amount Authorized	$ 265.00

MCCS DEPARTMENT SURPRISE/UNANNOUNCED CASH COUNT

Activity/Location: Beach Comber Address: Bldg 1489, MCAS Kings Bay Consodidated Club	Fund Type: ☑ Change Fund ☐ Petty Cash
Cash Register and Drawer # (if applicable):	Register 54689-A
Date: 12/17/XX	Time: 1530

1. Individuals conducting the surprise/unannounced cash count must first obtain a manager's cash register reading (in the "X" mode) to determine total sales.

Closing Register Reading:	Line 1	2487.00
Less Opening Register Reading:	Line 2	2420.00
= Sales: (Subtract line 2 from line 1)	Line 3	67.00
Over/Under-rings: (Show under-ring as -, over-ring as +)	Line 4	-2.00
= Net Sales: (Line 3 +/- Line 4)	Line 5	65.00
Amount of Change Fund:	Line 6	200.00
Total Required: (Add Line 5 and Line 6)	Line 7	265.00
Actual count of cash, checks, money orders, credit card sales and credits: (See reverse side, "**Total Counted**".)	Line 8	265.10
Shortage/Overage: (Calculate the difference between Line 8 and Line 7)	Line 9	+.10

SAMPLE

2. Answer the following questions:

   a. Does the activity cashier have a signed money receipt or logbook as proof of their change fund acceptance, or a signed, sub-custody letter?

   ☑ Yes ☐ No (If no, correct this situation ASAP.)

   b. Does the activity cashier have sole access to the money on hand?

   ☑ Yes ☐ No (If no, correct this situation ASAP.)

   c. If the activity cashier has a sub-custody letter for the change fund, does he/she have a lock box or safe compartment with sole access?

   ☑ Yes ☐ No (If no, correct this situation ASAP.)

Explain: ______________________________

____

Upon signing this form, the activity cashier acknowledges that the surprise/unannounced cash count was conducted in his/her presence and that the total sum was left in their custody following the surprise/unannounced cash count.

	Printed Name	Signed Name	Date
Activity Cashier:	Mark Gable	Mark R. Gable	17 Dec 20XX
Counted By:	Benjamin Rich	Benjamin Rich	Dec 17, 20XX

ACTUAL CASH COUNT

Currency	Units	Total	
$ 100.00	x 0	= 0	
$ 50.00	x 0	= 0	
$ 20.00	x 2	= 40	
$ 10.00	x 6	= 60	
$ 5.00	x 10	= 50	
$ 2.00	x 0	= 0	
$ 1.00	x 65	= 65	
		Sub Total	$ 215.00

Rolled Coins	Rolls	Total	
$ .50	x 0	= 0	
$ .25	x 2	= 20	
$ .10	x 4	= 20	
$ .05	x 2	= 4	
$ .01	x 2	= 1	
		Sub Total	$ 45.00

Loose Coins	Number	Total	
$ 1.00	x 0	= 0	
$ .50	x 0	= 0	
$ .25	x 10	= 2.50	
$ .10	x 20	= 2.00	
$ .05	x 10	= 50	
$ .01	x 10	= 10	
		Sub Total	$ 5.10

OTHER ITEMS	
Checks/Money Orders	$ 0
Vouchers Paid Out # ______________ thru # _______________	$ 0
Discount Coupons, MCCS Bucks, etc.	$ 0
Credit Card Charges	$ 0
Credit Card CREDIT Vouchers	$ 0

TOTAL COUNTED	$ 265.10

SAMPLE

Step 9 Complete a cash count receipt.

☐ Indicate in writing on the cash register detail tape that a cash count was made and the date and the time of the event.

☐ Sign and return the detail tape to the authorized cash register reader.

NOTE: You may have some adjustments, in the form of over-rings and/or under-rings that must be accounted for. The following example outlines the procedure when accounting for an over-ring. Under-rings would be added to the sales.

Closing Cash Register Reading	$21,267.45
Less Opening Register Reading	-21,103.15
= Sales	164.30
Less Over-rings	-1.25
= Net Sales	163.05
Plus Change Fund	+200.00
= Amount Authorized	$ 363.05

Step 10 Determine if cash on hand plus receipts equal the Amount Authorized.

IF CASH ON HAND PLUS RECEIPTS:	THEN:
Equals Amount Authorized.	1. Have cash custodian fill in the time and date of cash count. 2. Have cash custodian sign the Cash Count Sheet. 3. Sign and date the Cash Count Sheet on the “Counted By” line.
Does **NOT** equal Amount Authorized.	1. Check and recount all cash. 2. Note discrepancies on Cash Count Sheet. 3. Have cash custodian fill in the time and date of cash count. 4. Have cash custodian sign the Cash Count Sheet. 5. Sign and date the Cash Count Sheet on the "Counted By" line. 6. Inform the proper authority according to local policy. 7. Review internal control procedures for problem areas.

Step 11 Have the cashier/cash handler prepare a Daily Activity Record (DAR). (See Task 5.9, Close out Daily Financial Transactions.)

- Have the cashier/cash handler return to his/her station or check out if at end of shift, schedule, or work day.

Step 12 Prepare to conduct surprise/unannounced cash counts on all cashiers/cash handlers, with sub-custodied funds while funds are **NOT** in operation.

Remember to:

- Review the change fund receipt or the letter authorizing sub-custody of a portion of the total authorized facility change fund.
- Ring out/get register read.
- Take control of all cash and cash items.
- Count the change fund and cash drawer/box in the presence of the cashier/cash handler.
- Complete the cash-count sheet in ink. (See blank form after page 5.10.10.)

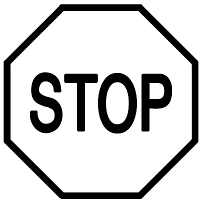
Step 13 Count and record all cash and cash items, if any, on Cash Count Sheet. (See example on page 5.10.5.)

Step 14 Review the change fund receipt or the letter authorizing sub-custody of this part of the total authorized facility change fund.

Step 15 Determine if cash on hand equals authorized sub-custodied fund amount.

IF CASH ON HAND:	THEN:
Equals Amount Authorized.	1. Have cash custodian fill in the time and date of cash count. 2. Have cash custodian sign the Cash Count Sheet. 3. Sign and date the Cash Count Sheet on the "Counted By" line.
Does NOT equal Amount Authorized.	1. Re-check all the documentation. 2. Recount all the cash. 3. Note discrepancies on Cash Count Sheet. 4. Have cash custodian fill in the time and date of cash count. 5. Have cash custodian sign the Cash Count Sheet. 6. Sign and date the Cash Count Sheet on the "Counted By" line. 7. Inform the proper authority according to local policy. 8. Review internal control procedures for problem areas.

Step 16 Depending on the results of the cash count and the timing of it, have the cash custodian prepare a DAR (See Task 5.9) for any overages and/or prepare to work their shift or return the fund to a safe or another secure location.



Congratulations! You've completed this task.

MCCS DEPARTMENT SURPRISE/UNANNOUNCED CASH COUNT

Activity/Location: Address:	Fund Type: ☐ Change Fund ☐ Petty Cash
Cash Register and Drawer # (if applicable):	
Date:	Time:

1. Individuals conducting the surprise/unannounced cash count must first obtain a manager's cash register reading (in the "X" mode) to determine total sales.

Closing Register Reading:	Line 1	
Less Opening Register Reading:	Line 2	
= Sales: (Subtract line 2 from line 1)	Line 3	
Over/Under-rings: (Show under-ring as -, over-ring as +)	Line 4	
= Net Sales: (Line 3 +/- Line 4)	Line 5	
Amount of Change Fund:	Line 6	
Total Required: (Add Line 5 and Line 6)	Line 7	
Actual count of cash, checks, money orders, credit card sales and credits: (See reverse side, "**Total Counted**".)	Line 8	
Shortage/Overage: (Calculate the difference between Line 8 and Line 7)	Line 9	

2. Answer the following questions:

   a. Does the activity cashier have a signed money receipt or logbook as proof of their change fund acceptance, or a signed, sub-custody letter?

   ☐ Yes ☐ No (If no, correct this situation ASAP.)

   b. Does the activity cashier have sole access to the money on hand?

   ☐ Yes ☐ No (If no, correct this situation ASAP.)

   c. If the activity cashier has a sub-custody letter for the change fund, does he/she have a lock box or safe compartment with sole access?

   ☐ Yes ☐ No (If no, correct this situation ASAP.)

Explain: ____________________

____

Upon signing this form, the activity cashier acknowledges that the surprise/unannounced cash count was conducted in his/her presence and that the total sum was left in their custody following the surprise/unannounced cash count.

Activity Cashier: ____________________

Printed Name Signed Name Date

Counted By: ____________________

Printed Name Signed Name Date

ACTUAL CASH COUNT

Currency	Units	Total	
$ 100.00	x	=	
$ 50.00	x	=	
$ 20.00	x	=	
$ 10.00	x	=	
$ 5.00	x	=	
$ 2.00	x	=	
$ 1.00	x	=	
		Sub Total	$

Rolled Coins	Rolls	Total	
$ .50	x	=	
$ .25	x	=	
$ .10	x	=	
$ .05	x	=	
$ .01	x	=	
		Sub Total	$

Loose Coins	Number	Total	
$ 1.00	x	=	
$ .50	x	=	
$ .25	x	=	
$ .10	x	=	
$ .05	x	=	
$ .01	x	=	
		Sub Total	$

OTHER ITEMS	
Checks/Money Orders	$
Vouchers Paid Out # ______________ thru # _______________	$
Discount Coupons, MCCS Bucks, etc.	$
Credit Card Charges	$
Credit Card CREDIT Vouchers	$

TOTAL COUNTED	$

MCCS MANAGERS’ DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.11

Prepare Combined Federal Campaign (CFC) Input

DO THIS TASK WHEN

- A funding opportunity is available to augment current NAF and APF revenue.
- Prior to and during the annual CFC campaign.

REFERENCES

- 5 CFR Part 950 (Code of Federal Regulations).

SUPPLIES/ RESOURCES

- Combined Federal Campaign Application Form.
- AXS-ONE.
- Form 1023, IRS Form, Application For Recognition of Exemption.

THIS TASK IS DONE CORRECTLY WHEN

- Your Program has been named as an eligible recipient of contributions in the local CFC.
- You receive distribution of CFC Benefits.

NOTES

Marine Corps Programs such as youth, teen, and Child Development, volunteer organizations and youth sports organizations are eligible to receive contributions generated in the annual Combined Federal Campaign (CFC).

The CFC is regulated by the Office of Personnel Management (OPM), and is the single means of soliciting federal employees through payroll deduction. Dollars donated to CFC support health and human services agencies locally, nationally and internationally.

The Principal Combined Fund Organization (PCFO) serves as business agent for the CFC, creating and distributing promotional materials, training CFC volunteers, and collecting and distributing the dollars raised, as specified by donors and an established distribution formula. Often the PCFO is a local United Way organization, but the CFC is NOT synonymous with United Way.

Generally, each base will designate an individual as the Command CFC Coordinator and likewise, each Department and Tenant Command will designate someone as a point of contact (POC). This individual will distribute information and donation forms to coworkers.

Funds collected from the CFC will be disbursed by the local chapter directly to the receiving organization either as an annual lump sum or as quarterly checks. These funds can be used in support of current operations such as the purchase of equipment and supplies. Funds may not be used for capital improvement purposes.

CFC policy is decentralized to local Commands and bases. Authorization to apply/reapply for CFC funding is given by the Commanding Officer. You will need to coordinate with your local CFC coordinator for application procedures. If you have authorization, this task will assist you in the preparation of your CFC input.

Contributions typically flow direct to specific MCCS Programs from CFC headquarters disbursing sites.

PROCEDURE

Step 1 Contact the local Combined Federal Campaign (CFC) director for advice and procedures regarding the submission of the application.

NOTE: You may find the local campaign director for your area either on your own base, at another military base in the area, or at a local federal building.

Step 2 Gather and review the local CFC guidelines.

NOTE: Applicants must qualify as a voluntary agency described under 5 CFR 950.204 Local Eligibility. Navy Youth and Child Development Programs (center-based care) are two which have already been designated as eligible CFC participants.

Step 3 Use your normal chain-of-command to obtain local Command support.

Step 4 Submit the application as directed in the local procedures.

Step 5 Draft a brief Program description for publication in the CFC directory.

The description should contain the following:

- Name of the Program.
- Phone number.
- Description of the Program's mission/purpose.
- The percentage of funds allocated for administrative overhead expense.

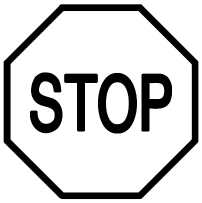
Step 6 Market your Program as a beneficiary of CFC funding to groups and individuals who are potential donors just before the local campaign begins.

Consider the following:

- Flyers/posters.
- Program-level kick-off. (E.g., breakfast, luncheon, dinner, picnic, covered-dish, etc.)
- Presentations to groups such as Ombudsmen, squadrons, wives' clubs, work centers, quality of life (QOL) team, etc.
- Articles in the POD, base newspaper, and the MCCS newsletter.
- On the base-wide TV channel, if available.
- To the MCCS Program and your staff members.
- Be active in the CFC campaign planning, presentations, and in the host/tenant and quality of life meetings.

Step 7 Monitor the CFC funding cycle to ensure the money is deposited to the appropriate account.

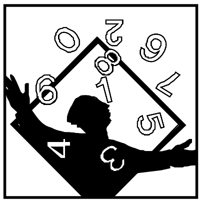
Step 8 Re-submit the application annually (if this is a local requirement).



Congratulations! You've completed this task.

MCCS MANAGERS’ DESK REFERENCE
DUTY 5.0 – MANAGE BUDGET/FUNDS

TASK 5.12



Determine Break-even Point (BEP)

DO THIS TASK WHEN

- You want to estimate the sales volume needed to cover total expenses plus any profit.
- You want to estimate the point where financial objectives for the MCCS Program activity, event, products, or services have been met.
- You need to develop pricing or product alternatives.
- You want to determine which products provide the greatest contribution to the break-even point.
- You want to evaluate the feasibility of a new MCCS Program or program activities, events, products, or services.
- You want to review standards for Program activities, events, products, and/or services.

REFERENCES

- MCO P1700.27 (series), MCCS Policy Manual.

SUPPLIES/RESOURCES

- Break-even Point Analysis Worksheet.
- Information/data regarding customer/patron usage.
- Calculator.
- Break-even point software. (Optional.)
- The current monthly financial statements.
- Your current schedule of fees, prices and charges.

THIS TASK IS DONE CORRECTLY WHEN

- The break-even point is determined correctly.
- All data has been entered correctly on the Break-even Point Analysis Worksheet.
- The selling price and/or volume required is calculated properly.
- Management decisions were made based on the BEP analysis.
- The initiative is re-evaluated when the BEP is unsatisfactory or questionable.

NOTES

Break-even or **break-even point--**noun.

Neither profit nor loss: the point or level of financial activity at which expenditure equals income or the value of an investment equals its cost, and the result is neither a profit nor loss

As a manager, one of the most important things you need to know is how much income your operation requires to break-even and/or stay at a predetermined profit or subsidy level.

NOTES (cont.)

Break-even analysis is a useful management tool to gauge the effects of pricing decisions, demand, and costs on potential revenue. Using it, you can estimate the total sales volume in dollars and/or units needed to cover total expenses plus any profit.

The MCCS definition of Break-Even Point is, “the volume of business at which total fixed and variable direct and indirect costs equal total revenue including depreciation but excluding prorated common support functions”.

The BEP formula is:

- Sales/Program Income, plus Other Income (amusements, commissions, sponsorships, etc.), equals Fixed Operating Expenses plus variable Expenses, plus Net Profit, (minus NAF support).

BEP analysis is NOT a substitute for in-depth costing studies of products and services or for marketing research (e.g., surveys, focus groups, etc.), but can be used with other approaches to develop or revise pricing or product alternatives and for budgeting purposes. BEP helps you calculate the amount of income needed to balance cost.

Once you determine the BEP (the **science** of pricing), you can make decisions on pricing, staffing, and other key areas that impact your activities, events, products, and services (the **art** of pricing).

For example BEP can be used to:

- Evaluate existing Program activities, events, products, or services, or to project or estimate total revenues and/or units for a new endeavor being planned.

- Calculate how many customers/patrons/sales are needed to reach equality (BEP) between all relevant costs and projected income.

NOTES (cont.)

- Calculate the actual dollar figure to charge for an activity, event, product, or service needed to reach equality (BEP) between all relevant costs to the projected/known sales or patronage.

- Determine how much you need to adjust your fees, prices, and/or charges to accomplish a specific/changed financial goal, whether for a specific activity, event, product, service, or overall for your Program.

- Calculate the effects of adjusting (up or down) costs or revenue for specific activities, events, products, services, or overall for your Program.

- Calculate the effects of adjusting financial goals/ standards for any fixed/variable expense to overall break-even point.

For new undertakings, you will have to use assumptions based on past usage patterns, prices, and costs for like or similar activities or events. With pertinent data and correct assumptions you can set prices or evaluate many facets of your organization's pricing structure.

PROCEDURE

Step 1 Determine the activity, event, product, or service (unit of sales) on which you want to conduct a break-even point analysis.

Activity, Event, Product, or Service ________________________________

Step 2 Gather the resources, supplies and other materials necessary to conduct a BEP Analysis.

☐ Financial Report showing G&A Revenue and Expenses.

☐ Profit and Loss Statement.

☐ Current schedule of fees, prices, and charges for your Program's activities, events, products, and services.

☐ Customer/patron usage data.

☐ Break-even Point Analysis Worksheets. (See examples after page 5.12.11 and a blank BEP Form after page 5.12.16.)

☐ Calculator.

Step 3 Complete the Break-even Point Analysis Worksheet for the selected activity, event, product, or service.

☐ Follow Steps 4 through 10 to fill out the worksheet.

Step 4 Worksheet Section Number 1 - List all NAF Fixed Expenses and record the total as **TOTAL A**.

- Fixed expenses are those that are not directly affected by increases or decreases in volume or that cannot be quickly adjusted to changes in volume.
- These fixed expenses are sometimes referred to as direct or overhead costs.
- Display these fixed expenses as a dollar amount.

Some of the costs/expenses associated with this item include:

☐ Salaries and Wages. (True costs include all known related costs such as meals, medical, uniforms, etc.)
☐ Utilities.
☐ Minor property and supplies.
☐ Depreciation.
☐ Annual and Sick leave.
☐ G&A overhead expenses.
☐ Other direct expenses.
☐ Subsidy Amount. **(Must be entered as a minus figure.)**
☐ Profit Amount desired.
☐ Transportation.

NOTE: If the total of Fixed Expenses **(TOTAL A)** is a minus figure (because of a subsidy), change one or more of the variable expenses in Step 7 to a fixed expense and show as a dollar amount ($) instead of a percentage amount (%). The BEP calculations will **NOT** work with a negative Fixed Expenses total in **TOTAL A**.

Many expense items can be expressed as either variable or fixed. Whether the expense is variable or fixed depends on how you interpret the information, how the information is available to you from records, and how you do the math in the worksheet.

Step 5 Worksheet Section Number 2 - List all sources of other income and add these up. (E.g., commissions, amusement machines, etc.)

Record this total as **TOTAL B**.

NOTE: Do **NOT** include Sales/Program sales/income here in this item.

The Program income figures are the break-even results that you will calculate in Step 9.

For example, some of the other income/revenue sources associated with this item include:

☐ Commissions.

☐ Commercial Sponsorship.

☐ Amusement machines.

☐ Cover charges, dues, service charges, etc.

☐ Other additional funding.

Step 6 Worksheet Section Number 3 - Subtract **TOTAL B** from **TOTAL A** and enter the adjusted Fixed Expense Total here.

Record the total as **TOTAL C**.

NOTE:	If the adjusted Fixed Expenses total **(Total C)** is a minus figure (because of a subsidy), change one or more of the variable expenses in Step 7 to a fixed expense and show as a dollar amount ($) in Section 1 on the worksheet. The BEP calculations will **NOT** work with a negative Fixed Expenses total in **Total C**.

Step 7 Worksheet Section Number 4 - List all variable expenses (shown on the next page) as a **percentage** of sales/program income and record these as **TOTAL D**.

NOTE:	If **TOTAL D** = 100% or more, your expenses will always be higher than your income and you will never achieve break-even. In order to complete the calculations on the worksheet, change one or more of your variable expenses to a fixed expense and show it as a dollar amount in Step 4 instead of a percentage here.

- Variable expenses listed here are expressed as a percent (%) of resale/program income.

- Variable expenses are those that can be expected to increase directly with each additional unit sold.

Step 7 (cont.)

Examples of costs/expenses that should be recorded in this category include:

☐ Cost of Sales.

- It is important not to rely on arbitrary Cost of Sales percentages. MCCS Program Managers must develop percentages and pricing policies that attain identified break-even points.
- This percentage must at least meet the published Measures of Effectiveness (MOE) for the Program.

☐ Fees paid to sports officials.

☐ Awards.

☐ Salaries and wages. (True costs include all known related costs such as meals, medical, uniforms, etc.)

☐ Supplies.

☐ Laundry.

☐ Utilities.

☐ Profit.

☐ Program or Activity G&A expenses.

☐ Overhead Expenses.

☐ NAF Support Amount **(must be entered as a minus figure)**.

☐ Other variable expenses.

☐ Entertainment.

Step 8

Worksheet Section Number 5 - Enter **TOTAL D** below to calculate Fixed Expense Percentage **(TOTAL E)**:

100 - __________ = ________ X (times) .01 = __________
TOTAL D **TOTAL E**

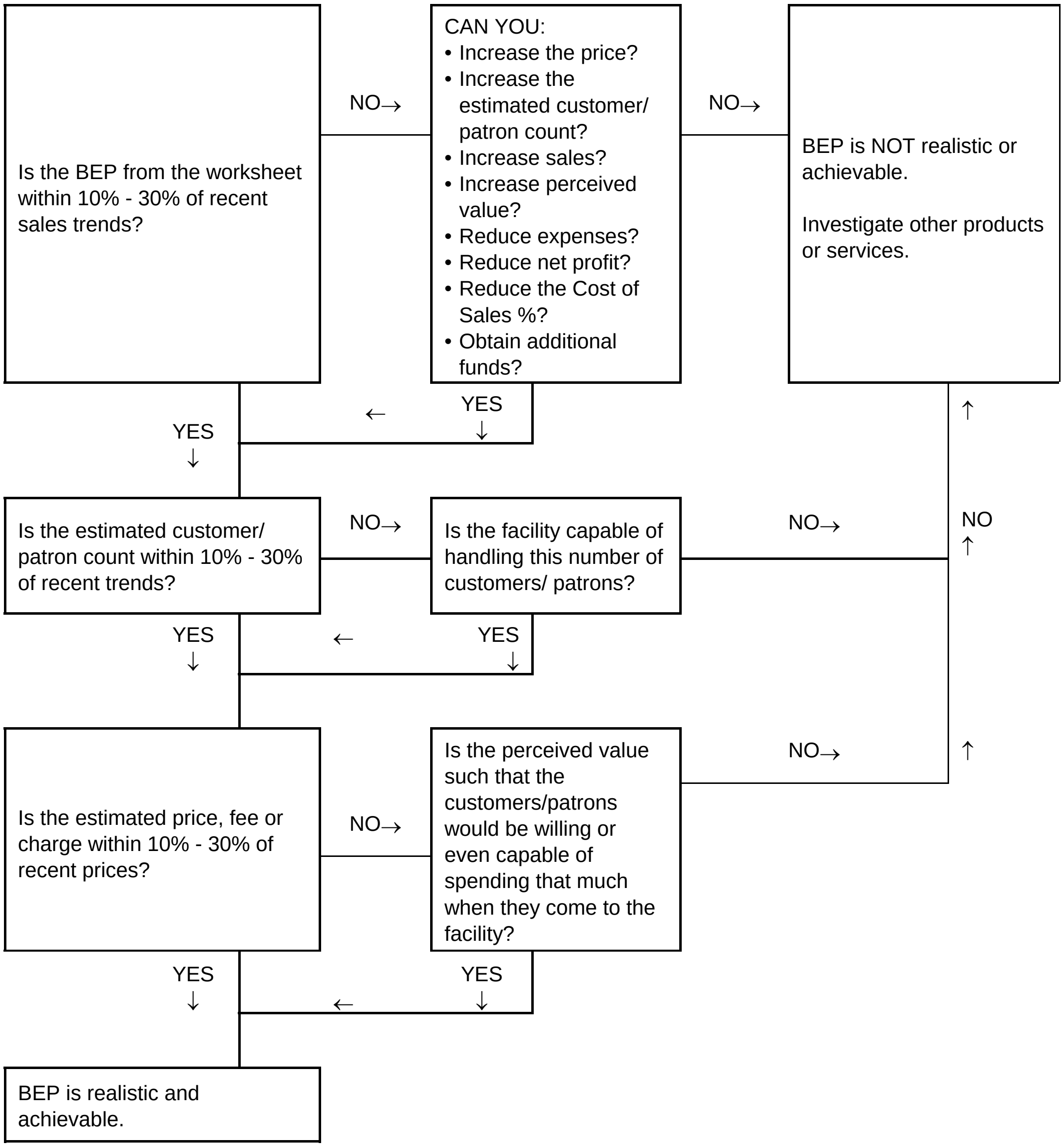
Step 9 Worksheet Section Number 6 - Enter **TOTAL C** and divide by **TOTAL E** in the formula to calculate the resale/program sales (Income) required to achieve Total break-even.

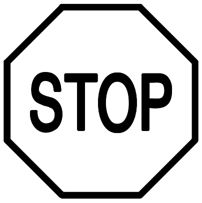
$ ____________ ÷ ____________ = $ ____________ (Total break-even)
TOTAL C **TOTAL E** **TOTAL F**

Step 10 Worksheet Section Number 7 - Decide whether you want to determine the selling price or the number of customers/patrons required to achieve a break-even point.

IF YOU KNOW:	**THEN DIVIDE THE:**	**BY:**	**TO DETERMINE:**
The Projected Customer/Patron Count.	Total Break-even Dollars. **(TOTAL F)**	The Projected Customer/Patron Count.	The Necessary Selling Price.
The Projected Selling Price.		The Projected Selling Price.	The Necessary Number of Customers/Patrons .

Step 11 Evaluate whether or not the BEP is realistic and achievable.


Is the BEP from the worksheet within 10% - 30% of recent sales trends?
NO→
CAN YOU:
• Increase the price?
• Increase the estimated customer/ patron count?
• Increase sales?
• Increase perceived value?
• Reduce expenses?
• Reduce net profit?
• Reduce the Cost of Sales %?
• Obtain additional funds?
NO→
BEP is NOT realistic or achievable.
Investigate other products or services.
YES ↓
←
YES ↓
↑
Is the estimated customer/ patron count within 10% - 30% of recent trends?
NO→
Is the facility capable of handling this number of customers/ patrons?
NO→
NO ↑
YES ↓
←
YES ↓
Is the estimated price, fee or charge within 10% - 30% of recent prices?
NO→
Is the perceived value such that the customers/patrons would be willing or even capable of spending that much when they come to the facility?
NO→
↑
YES ↓
←
YES ↓
BEP is realistic and achievable.



Congratulations! You've completed this task.

EXAMPLE

A simple example of how to compute the break-even point for one event is shown on the next two pages.

SITUATION

SAMPLE

You are planning to start a Sunday Brunch service at your club. Before you are allowed to implement this new program, the MCCS Director, AC/S wants you to determine the break-even point and what you will charge for the brunch.

The chef has established the staff requirements and budgeted $380.00 for labor and has estimated a 40%. The average customer/patron count is estimated to be 105. The administration has identified a 10% cost for other expenses. You need to generate a 15% profit.

What is the BEP, and what will you charge for the brunch? Look at our calculations on the worksheet on the next page.

BREAK-EVEN POINT ANALYSIS WORKSHEET

Event or Service: Sunday Brunch

1. List all fixed expenses and total (e.g., labor, operating expenses, depreciation, etc.).

Fixed Expenses	Amount
Labor	$ 380.00
TOTAL A	$ 380.00

2. List all sources of other income and total (e.g., commissions, amusements machines.

NOTE: Do NOT include program sales (income).

Other Income	Amount
TOTAL B	$

3. Subtract **TOTAL B** from **TOTAL A** and enter the Adjusted Fixed Expense Total here: $ 380.00 **TOTAL C**

If this adjusted fixed expense total is a minus (-) figure (because of subsidy), CHANGE one or more of the variable expenses to a fixed expense and enter as a dollar amount in Item 1 above.

4. List all variable expenses below (as percent of income) and total (e.g., Cost Of Sales, net profit, operating expenses):

NOTE: If TOTAL D = 100% or more, expenses exceed program sales income.

Variable Expenses	%
Cost of Sales	40
Other Expenses	10
Net Profit	15
Total D	65%

If this variable expense % exceeds 100%, then CHANGE one or more of the variable expenses to a fixed expense and enter as a dollar amount in Item 1 above.

5. Enter **TOTAL D** below to calculate Fixed Expense Percentage **(TOTAL E)**:

100 - 65 (**TOTAL D**) = 35 × .01 = .35 (**TOTAL E**)

6. Enter **TOTAL C** and divide by **TOTAL E** below to calculate Income:

$ 380 (**TOTAL C**) ÷ .35 (**TOTAL E**) = $ 1086 (**TOTAL F**) **(TOTAL break-even)**

7. Compute Selling Price or Sales Volume required to break-even.

a. Selling Price:

$ 1086 (**TOTAL F**) ÷ 105 (Projected Customer Count) = $ 10.34 (SELLING PRICE)

b. Sales Volume Required:

$ ______ (**TOTAL F**) ÷ ______ (Planned Selling Price) = $ ______ (SALES VOLUME)

Situation (cont.)

As you see on the preceding page, the BEP in our Brunch scenario called for a cost per customer/patron of $10.34.

Our customers/patrons will feel that this seems like a high price for a Sunday Brunch in our locality. You have to ask yourself "is that realistic and achievable?" If not, what are some things you can do to lower the cost for the customers/patrons.

☐ Reduce the net profit requirement?

☐ Reduce the staff requirements?

☐ Reduce other expenses?

☐ Reduce Cost of Sales percentage?

☐ Increase the estimated customer/patron count?

Following the guidelines outlined in Step 11, you need to consider the sales history, customer/patron counts and average prices for existing products/services. That will give you some options on what you might do to make it more realistic and achievable. (See next page.)

We chose to reduce the net profit requirement to 5%. The total variable expense is now 55%. If you do that, the new resale/program revenue (Income) required to achieve Total break-even is $845.00. (Section 6 of the Break-even Point Analysis Worksheet).

Worksheet Section 5	100 - 55 = 45 x .01 = .45
Worksheet Section 6	$380.00 ÷ .45 = $845.00

The new cost per customer/patron for the brunch will be $8.05.

Worksheet Section 7a	$845.00 ÷ 105 = $8.05

If $8.05 still seems unrealistic, then you may have to try another of the options outlined in Step 11 of the Task.

BREAK-EVEN POINT ANALYSIS WORKSHEET

Event or Service: Sunday Brunch

1. List all fixed expenses and total (e.g., labor, operating expenses, depreciation, etc.).

Fixed Expenses	Amount
Labor	$ 380.00
TOTAL A	$ 380.00

2. List all sources of other income and total (e.g., commissions, amusements machines.

NOTE: Do NOT include program sales (income).

Other Income	Amount
TOTAL B	$ 0

3. Subtract **TOTAL B** from **TOTAL A** and enter the Adjusted Fixed Expense Total here:

$ 380.00
TOTAL C

If this adjusted fixed expense total is a minus (-) figure (because of subsidy), CHANGE one or more of the variable expenses to a fixed expense and enter as a dollar amount in Item 1 above.

4. List all variable expenses below (as percent of income) and total (e.g., Cost Of Sales, net profit, operating expenses):

NOTE: If TOTAL D = 100% or more, expenses exceed program sales income.

Variable Expenses	%
Cost of Sales	40
Other Expenses	10
Net Profit	5
Total D	55%

If this variable expense % exceeds 100%, then CHANGE one or more of the variable expenses to a fixed expense and enter as a dollar amount in Item 1 above.

5. Enter **TOTAL D** below to calculate Fixed Expense Percentage **(TOTAL E)**:

100 - 55 (**TOTAL D**) = 45 × .01 = .45 (**TOTAL E**)

6. Enter **TOTAL C** and divide by **TOTAL E** below to calculate Income:

$ 380 (**TOTAL C**) ÷ .45 (**TOTAL E**) = $ 845 (**TOTAL F**) **(TOTAL break-even)**

7. Compute Selling Price or Sales Volume required to break-even.

a. Selling Price:

$ 845 (**TOTAL F**) ÷ 105 (Projected Customer Count) = $ 8.05 (SELLING PRICE)

b. Sales Volume Required:

$ ______ (**TOTAL F**) ÷ ______ (Planned Selling Price) = $ ______ (SALES VOLUME)

BREAK-EVEN POINT ANALYSIS WORKSHEET

Event or Service:

1. List all fixed expenses and total (e.g., labor, operating expenses, depreciation, etc.).

Fixed Expenses	**Amount**
TOTAL A	**$**

2. List all sources of other income and total (e.g., commissions, amusements machines.

   NOTE: Do NOT include program sales (income).

Other Income	**Amount**
TOTAL B	**$**

3. Subtract **TOTAL B** from **TOTAL A** and enter the Adjusted Fixed Expense Total here:

$ ______________
TOTAL C

If this adjusted fixed expense total is a minus (-) figure (because of subsidy), CHANGE one or more of the variable expenses to a fixed expense and enter as a dollar amount in Item 1 above.

4. List all variable expenses below (as percent of income) and total (e.g., Cost Of Sales, net profit, operating expenses):

   NOTE: If TOTAL D = 100% or more, expenses exceed program sales income.

Variable Expenses	**%**
Total D	

If this variable expense % exceeds 100%, then CHANGE one or more of the variable expenses to a fixed expense and enter as a dollar amount in Item 1 above.

5. Enter **TOTAL D** below to calculate Fixed Expense Percentage **(TOTAL E)**:

100 - __________ = __________ × __________ = ____________
TOTAL D **TOTAL E**

6. Enter **TOTAL C** and divide by **TOTAL E** below to calculate Income:

$ ____________ ÷ ____________ = $ __________ **(TOTAL break-even)**
TOTAL C **TOTAL E** **TOTAL F**

7. Compute Selling Price or Sales Volume required to break-even.

   a. Selling Price:

$ ____________ ÷ ________________________ = $ ________________
TOTAL F Projected Customer Count SELLING PRICE

   b. Sales Volume Required:

$ ____________ ÷ ________________________ = $ ________________
TOTAL F Planned Selling Price SALES VOLUME